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LARGEST CIRCULATION
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FINANCIAL PAPER

THE FINANCIAL POST

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The Nation's Business

Ontario's Loan a Bargain But Was It the Best Bargain?

Inflation Boom Might Have Evil Consequences

Taxpayer Pays for Dominion Annuities

Calling Tenders Best in Provincial Loans

CONSIDERABLE criticism has arisen concerning the private sale of this week's $37,500,000 Ontario bond issue to a group of five underwriters. Some bond dealers who were not given an opportunity to bid feel that the province might have obtained a better price if tenders had been invited publicly for the issue; and that there was arbitrary discrimination in the manner of the sale.

This dissatisfaction is chiefly significant of the lack of a uniform system of borrowing by Canadian governments. The four eastern provinces have enjoyed good success in their recent calls for tenders on new loans. The four western provinces have not been able to borrow freely for some time, and have arranged loans chiefly by private negotiation. Ontario managed two of its recent loans through the provincial treasury with bond houses acting as sales agents. The new Hepburn Government had indicated that it would sell its loans by tender, so that the private sale of a large issue caused some surprise.

Mr. Hepburn has indicated that the large size of the loan prohibited the invitation of bids. And he even is reported to have hinted that dealers would get together to bid in a manner unfavorable to the province. Neither of these statements is founded on fact. One strong group was fully prepared, and even eager, to bid, but was not given the chance. And although dealers combine to bid on large issues, they form genuinely competitive syndicates to do so.

The successful experience of Quebec and the Maritime Provinces in selling loans by tender would indicate that there is no reason why Ontario should not follow the same policy. In fact Mr. Hepburn has now reiterated his intention of doing so.

* * *

THE Ontario loan is hailed as a notable financial achievement for the new government. There is plenty of ideal capital in Canada and it seeks safe, short-term use at a low price. But borrowing at approximately three per cent would have been more significant had the bonds been of longer term. A financial job worth crowing over would have been to sell fifteen or twenty year bonds to the amount of this loan and at a low rate of interest.

The gradual decline in the cost of shorter term funds is bound in time to turn investment attention to longer term issues and also to stimulate business activity. Canadian monetary policy is directed to making credit plentiful and cheap. The policy has worked well in Britain; it has not worked effectively in the United States because more hazardous experiments have been tried along with it.

* * *

The Coming Boom or the Coming Bust

IT IS difficult to determine the exact significance of the various monetary moves that are being made by governments throughout the world today. What they will ultimately mean rests more with the United States than with any other country. And in the United States the failure of one experiment after another has led to an increasing spirit of desperation in the plays called by the president.

When the American government arms itself with more instruments of potential inflation than any country ever before found it discreet to use, one must be a person of great faith to take without a grain of salt the protestations that inflation, when it comes, will be controlled so rigidly that it can only have good effects and none of the usual bad effects.

* * *

GREAT BRITAIN seems to have two basic tenets in her monetary policy; first, to force credit into use by making it cheap and plentiful and, second, not to permit the United States to gain for long any advantage from a war of competitive currency depreciation. Canada has taken its cue from Britain without, however, joining other British countries in the sterling block.

France and other European countries have also a definite purpose, namely to avoid inflation even at the expense of continued and cruel deflation.

But the United States chases merrily ahead after the fleeting phantom

(Continued on page 2, col. 3)

Ontario Beer Sales More Than Doubled Under New System

Expect Consumption of Nearly 20,000,000 Gals. Annually

LONDON BEER POPULAR

Brewers Would Lower Alcoholic Content and Hotel Prices—Envy Labatt Publicity

Ontario beer sales have more than doubled since freer distribution went into effect on July 24. Official returns for the first three weeks of August, 1934, show a gain of 120 per cent over the same period in 1933 when all the legal brew passed through government supervised liquor stores or brewers' warehouses.

Based on present consumption, which The Financial Post understands is proving remarkably steady, annual sales are expected to run close to 20,000,000 gallons as compared with less than 8,000,000 for 1933 and slightly over 11,000,000 in 1929 which was the biggest beer year reported by the Ontario Liquor Control Board. At the present estimate this will mean a per capita consumption of almost six gallons or 3½ gallons below that of 1913 the last "open" year in Ontario.

New Law Boosts

Ten per cent of this 1934 increase is attributed to the general improvement in industrial conditions, and 90 per cent to the new law which not only permitted sale by hotels, but also made it easier for the brewer and the home buyer to do business.

With the dropping of purchase permits, the breweries were able to speed up deliveries. Most of the Toronto companies are now prepared to deliver supplies within an hour of a telephone call. This means that the beverage arrives thoroughly chilled and ready for immediate consumption. The return of the empties, formerly a source of irritation, has also been expedited.

The jump in beer sales, The Post is informed, has been followed by sharply increased earnings for the companies manufacturing beer, malt, bottles, boxes, kegs, and dispensing, delivery and storage equipment. It has brought new business to hotels possessing licenses. Against this, it is believed that the increased sale of beer will eventually result in less hard liquor and possibly wine and soft drinks being sold.

How Companies Stand

It is difficult to secure actual sales by the various breweries but from a reliable source The Post understands that July distribution was divided among the leaders as follows:

Brewing Corp. 35 per cent.
Canada Bud 14 per cent.
Labatts 16 per cent.
Nat. Breweries 16 per cent.
All others 19 per cent.

August figures will not be available for a couple of weeks but it is believed that they will show a slight change with Labatts improving its position, possibly two or three per cent at the expense of the others in general.

When John Labatt became front page news, following the kidnapping episode of a few weeks ago, hotel patrons all over the country, and particularly those unfamiliar with the brands sold in Ontario, began asking for beer bearing his name. In two of the largest hotels in Toronto, The Financial Post was informed that Labatts was the largest single seller among bottled beers. In one case 25 per cent of the total sold was Labatts and in the other the figure stood at around 20. In three of the five smaller hotels visited Labatts was the most popular brand.

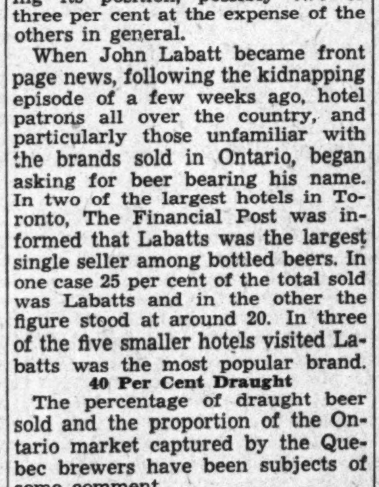
40 Per Cent Draught

The percentage of draught beer sold and the proportion of the Ontario market captured by the Quebec brewers have been subjects of some comment.

Some companies at the beginning of the new era following the easier laws, predicted that the big sale would be in bottled beers. Today the proportion of the latter is estimated at 60 per cent, and following the decision of more hotels to put in draught beer, it is expected that the market will be divided 50-50 when conditions settle down to normal.

Quebec brewers are credited with

(Continued on page 2, col. 1)



Canadian common stock prices climbed steadily upward in the week ended Aug. 23. Average level for August now appears likely to be close to the highest for the year. Indices appear on page 5.

Expect Dividend By Canada Bud

While no official pronouncement has been made a dividend of about 25 cents per share is expected by Canada Bud Breweries Ltd. Earnings during May, June and July are understood to have been sufficient to cover such a dividend. An increase of 94 per cent in sales for July is reported over the same month a year ago and August volume is understood to be even higher.

Since the new Ontario law came into effect last month sales have gone up over a hundred per cent, The Financial Post learns from a reliable source. Ninety per cent of the output of this company, it is understood, consists of bottled beer and during July it is reported that sales reached 1,200,000 bottles.

BETTER YEAR ELEVATOR COS. IS EXPECTED

Bulk Should Earn More Than Depreciation and Interest

CARRYOVER HELPS

Elevators in Drought Areas Will Close Down or Operate Short Time

Reports from the elevator companies of western Canada covering the crop year recently closed are expected to show reasonably satisfactory results. Although the quantity of grain handled from the crop of 1933 was much less than that of the previous year and would of itself have yielded inadequate earnings, all companies carried large quantities of grain from the previous crop, and storage earnings accrued by this employment of elevator facilities.

Carry Own Grain

Most of such grain was carried by the companies themselves, the quantity stored for farmers and for exporters at full tariff rates being comparatively small and the switching of hedges from one month to another had to be done on narrow spreads, giving less than tariff rates, but this still left the companies better off than if their storage space had been idle. In addition, the year was comparatively free from adverse developments such as materially reduced elevator company earnings during the previous year. In that year the temporary emergence of premiums for grain at Vancouver resulted in a good deal of grain being bought in Alberta on a higher price basis than subsequently proved justifiable when the grain came to be marketed.

There will of course be variation in results between different companies, largely depending on the location of country elevators, the companies with comparatively few elevators in southern Saskatchewan faring better than those which have a substantial proportion of their lines in that area. On the whole, something better than the earning of interest on senior obligations and the provision of depreciation is to be expected.

Carryover Helps

The year just begun will be another year of small total handlings for the elevator companies, with earnings again reinforced through taking care of the large Canadian carryover of wheat. Since, however, the carryover is due to be largely reduced during the current year, total earning from storage on such grain may well be less. This may to some extent be offset by changed market conditions which might result in more grain being carried for farmers and exporters at full tariff rates. Many elevators in districts of total or partial crop failure will be kept closed, more possibly than was the case last year, and other elevators will be operated for only a short period. Economies in this direction will assist the elevator companies in meeting the situation resulting from a short crop.

Standing Compared

The accompanying table shows the standing of the principal elevator and grain companies of Canada at the end of their fiscal year on July 31, 1933 unless otherwise stated. The inventory with one exception noted, principally includes grain and the bank loan covers that inventory.

GYPSUM, LIME DOING BETTER CURRENT YEAR

Prospects Are That All Charges Will be Covered

OUTLOOK IS BETTER

Small Orders Give Company Fair Volume of Business—Export Trade Developing

Gypsum, Lime and Alabastine, Canada, has experienced better operating conditions up to the end of August than was the case for the corresponding period last year.

The amount of new construction undertaken this year has not been overly large, but repair-work, renovations and modernization work have kept the company supplied with many small orders, which, in the bulk, have kept the plants operating at a fair rate of capacity.

While prospects for the balance of the company's fiscal year, which ends on November 30, are not altogether clear-cut, expectations are that Gypsum, Lime will be able to show net earnings sufficient to cover bond interest and depreciation, with possibly a small balance for the common stock.

During the first four months of the current fiscal year the management officially reported net earnings to be about 50 per cent above the level of the corresponding period in 1933. At that time export sales had been particularly noteworthy.

Export Trade Important

One of the contributing factors to the better showing being made this year is the export trade. For some time the company has been actively engaged in building up trade connections in the British market. The large home building campaign undertaken in the Old Country provides a splendid market for the company's products.

In the early part of 1933 it was decided to erect a plant in England in order to protect the business which the company had built up over a period of 12 or 13 years. To this end a new company—Gyproc Products Ltd.—was formed with head office in London. A majority of the capital was taken up by Gypsum, Lime, while a minority interest was taken by Messrs. Honeywell and Stein Ltd., subsidiary of Distillers Co., of Edinburgh, Scotland. A plant was erected at Rochester, Kent Co., and brought into operation this year. A small profit is expected from this subsidiary for 1934, while future prospects are that Gyproc Products will develop into a good money-maker for the parent company.

On Recovery Road

The fall months usually witness a good volume of business for the company and with a fairly satisfactory amount of business in the summer months, the expectation of being able to cover all senior charges appears to be promising of fulfillment.

During the eleven months ended November 30, 1934, Gypsum, Lime reported net earnings of $306,603. While this was a relatively small amount, it was substantially more than in the 1932 calendar year when the company earned only $96,453—one of the worst years ever experienced. On the basis of the 11 months income of $306,603 the company was able to cover bond interest and other cash charges, while after making provision for depreciation and depletion, there was a book deficit of $111,319.

Defer Sinking Fund

In order to maintain its working capital position, the company failed to meet the sinking fund payment due on March 1, 1933, on its first mortgage bonds. The balance sheet at the end of last November showed that as a result of economies in operations and the deferment of the sinking fund charge, net working capital was maintained at $543,294 or practically the same as at the end of the previous year.

Pay Off Bank Loans

Not only have earnings been on a better scale this year, but bank loans have been eliminated. At the end of last November the company had bank borrowings outstanding to an amount of $106,207. The hope is held out that the company will be able to finish up the year without the necessity of seeking further bank assistance.

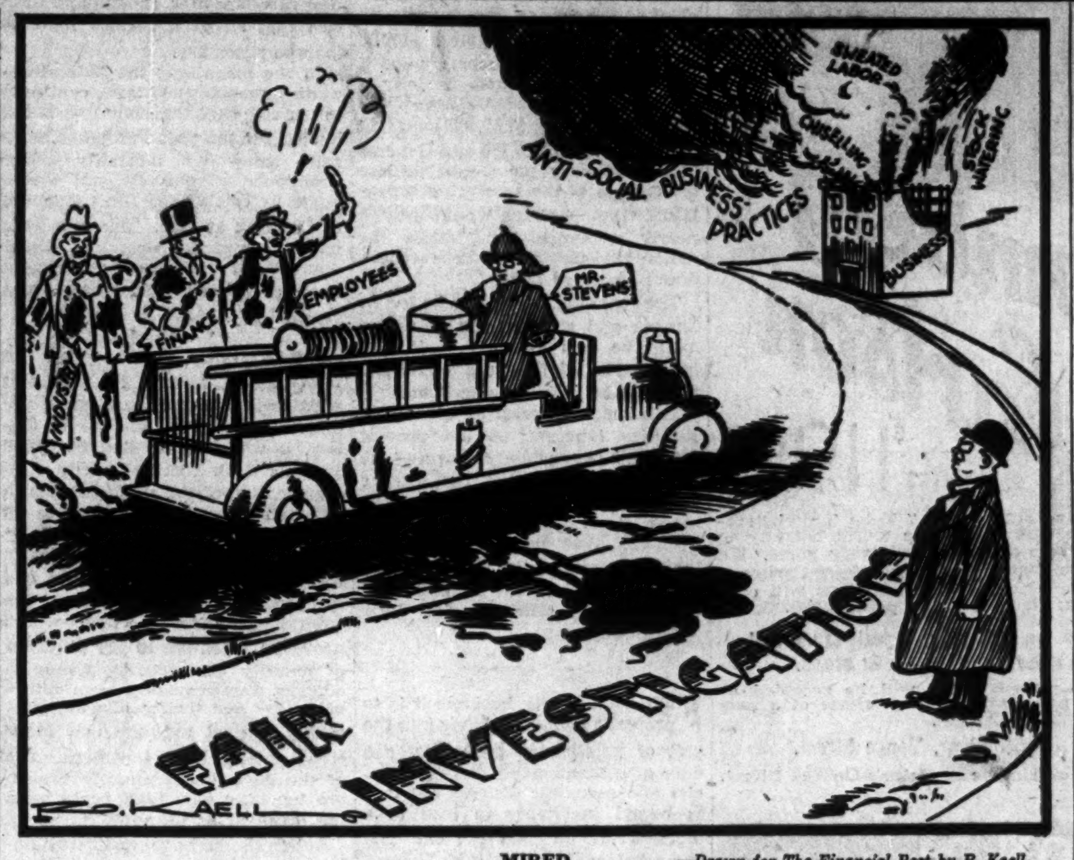
Prospects Are Promising

Prospects of Gypsum, Lime over the next twelve months are brighter than they have been for some time. Lately the volume of new building has shown a somewhat more encouraging trend. At the same time the $40,000,000 building programme being undertaken by the Federal Government is expected to result in a fair volume of business. Though a good deal of the money allotted for this building programme will be spent on labor, steel, stone, etc., a goodly proportion will be applied to the purchase of gypsum, lime and allied products.

Comparative Standing of Leading Elevator Companies

Company:	No. elevators	Capacity bushels	Inventory	Bank loans	Times bond int. earned after deprec. 1933	1932	Earning pref. shares 1933	1932
Federal Grain	387	17,500,000	$9,079,986	$8,563,781	1.06	1.19	.24	nil
*Alberta Pacific	373	14,700,000	$4,908,189	$4,968,310	1.11	1.41	.48	1.60
Western Grain ...	282	11,650,000	$4,639,165	$4,115,000	.14	1.00	nil	nil
Midland & Pacific	62	3,897,700	$1,375,859	$ 719,900	no bonds		16.98	42.96
Bawlf Grain ...	141	6,950,000	$2,365,389	$2,198,000	.36	1.38	nil	.06
United Grain Gr's	453	....	$8,509,330	$6,983,914	.41	1.86	nil	1.41
Toronto Elevators	?	5,000,000	$3,505,495	$3,510,000	no bonds		10.00	15.38
*Reliance Grain .	163	10,100,000	†$8,117,574	$7,226,084	1.27	1.02	1.26	.11

*Year ends June 30. *New fiscal year now ends Dec. 31. †Includes coal.



MIRED —Drawn for The Financial Post by R. Kaell.
A fire reel on the highway is worth two in the mud.

GOV'T FAVORS NEW LENDING TO PROVINCES

Encourages Borrowings; Ottawa's Own Needs to Be Small

From Our Own Correspondent

OTTAWA. — With the provincial government back in the money market and with the municipalities certain to enlarge their borrowings in the near future, it might be expected that the Dominion government would sense some danger to its long-sustained drive for lower interest rates. Competition in the market invariably makes for higher rates and in the past few days Saskatchewan has borrowed $3,000,000; Quebec $10,000,000; and Ontario $47,500,000.

The official view at Ottawa is that these borrowings are not injurious because they are partly for refinancing, and, where the money is needed for sound purposes, are in the public interest. Moreover, it is not anticipated that they will entail unpleasant consequences to the Minister of Finance when the Dominion loan comes out, probably in October.

Encourage Loans

Behind the scenes, it is learned that Ottawa not only has not sought to discourage bond issues of other governments and of corporations but has encouraged them to go into the market. It is said, on good authority, that government encouragement was given to the C.P.R. in the recent issue of $12,000,000 convertible bonds. A few days ago Ottawa told the city of Winnipeg, in blunt terms, not to look for loans from the national treasury but to use its own credit in the market. The Government apparently wants to see borrowers make use of the firm bond market which it has tried to support.

There might arise a situation in which indiscriminate borrowing by provinces and municipalities would drive interest rates upward and undo much that the Bennett government has done to bring about the present favorable market. But Ottawa does not see any signs of such a situation arising in the immediate future and it is hoped that the Central Bank when functioning will be able to exert a regulatory influence, particularly on the provinces.

Plenty of Money

Right now it is the official view at Ottawa that there is plenty of money available for the actual needs of the Dominion, and the provinces and industry. It is estimated that in round numbers there is some $450,000,000 of new money looking for investment in Canada this year; and that the amount is very little higher than the surplus for investment in the past three years—or since the depression became acute. And nothing like this sum is being required.

Light Fall Loan

Current newspaper reports not only exaggerate the amount of the forthcoming Dominion loan, but they fail to discriminate between the conversion of debt and the borrowing of new money. Last year, for example, the Dominion went into the market in October for $225,000,000. The chief liability to be met was the 1918 Victory Loan of which $169,900,000 was outstanding. But of this large sum $139,000,000 was converted and only $30,900,000 of new money was required to meet the obligation.

The forthcoming Dominion loan, current newspaper reports notwithstanding, will be for some $260,000,000 of which the largest item is the 1919 Victory Loan of $222,216,850. The government fully expects that $175,000,000 will be converted, leaving only a little more than 47 millions of money to be found. It is doubtful if the Dominion will require $100,000,000 of new money, and it is this fact that makes the government so complacent in the matter of provincial, municipal and corporation borrowing.

CAN. CANNERS MAY DEVELOP NORMAL YEAR

Smaller Packs and Rising Prices Are Reported

A substantial improvement in earnings is expected of Canadian Canners for the current year which has six months yet to run. Conditions generally in the canning trade are reported to be normal again and normal to Canadian Canners may mean a net profit of somewhere around $610,765 which was reported in 1931.

This figure compares with a net profit of $342,908 for the year ended Feb. 28, 1934. In the latter, after a dividend of $6 on the first preferred and 30 cents on the second, there was a surplus of $702. In a normal year something a good deal better on the second preferred as well as a dividend on common might be expected. Nothing was paid or earned on the latter shares last year but five cents was paid in 1933, 42½ cents in 1932 and 87½ cents in 1931. In 1931 these shares actually earned 42 cents each and $4.45 in 1930.

Crops Short

Because of the very severe winter in 1933-1934 practically all canning fruits are short this season. Strawberries and raspberries, already packed, are understood to be definitely below normal while cherries were reported only fair. Late fruits like peaches promise to be short. In the vegetable lines, aside from tomatoes, only a normal pack is expected, with peas, already packed, definitely short. All this points to a continuance of the present firmer prices.

Tomatoes are the biggest individual crop in the Canadian canning line. For several years there has been a considerable surplus, in some quarters reported at 500,000 cases, hanging over the domestic market. There has not been a great deal of recent exporting in this line. Great Britain, one of the principal outlets now for Canadian canned goods, is not a heavy consumer of tomatoes and there is keen competition in that line from Italy and France. Fruits and other vegetables, however, have been going there in satisfactory quantities with canned pears and apples and pork and beans and tomato soups and sauces the principal items.

Tomato Problem

Much will depend on the length of the present season as to what quantity of tomatoes is packed this

(Continued on page 2, col. 2)

Week's Figures Feature Decline In Employment

The falling off in employment at August 1 from the beginning of the previous month, as recorded by the Dominion Bureau of Statistics index, is against the usual seasonal trend. One important factor in this decline, however, was a smaller number of men employed on relief.

Steel and iron ore output maintained high levels in contrast to the situation in the United States.

		—Change— From Prev. Period %	From Prev. Year %
Monthly:	Aug. '34		
Employment* Index	99.9	−1.1	+14.7
	July '34		
Lumber exp., M. ft.	140,000	+13.1	+29.5
Conc. milk prod., lbs.	10,545,946	−16.0	+24.1
Electric output, kw.h.	1,621,314,000	−5.2	+12.3
Iron output, tons	36,759	−1.4	+15.6
Steel output, tons	66,647	+4.1	+36.7
Pete. imports, gal.	116,883,335	+1.8	−1.0
Weekly:†			
Carloadings, No.	43,828	+8.7	+1.4
Cattle sales, No.	14,625	+22.6	+9.7
Hog sales, No.	12,049	−5.0	−7.4

*August 1. †Weeks ended Aug. 18, 23 and 23 respectively.

Highlights of the week

Cost of Tariffs

Canadians pay $425,000,000 for their tariffs. But seven provinces contribute while two gain, according to estimates prepared by Norman McL. Rogers of Queen's University for the Nova Scotia Government. Page 9

World Inflation

Moves toward world inflation outlined from the Canadian viewpoint. The significance to Canada of Mr. Roosevelt's mammoth inflationary policies. Page 3

Cariboo Revival

Staking on placer and lode properties in the historic B. C. Cariboo mining division is at fever pitch. How developments at Cariboo Gold Quartz and Island Mountain have spurred activity. Page 16

Big Annuity

Should a man of 74 place $500,000 in an annuity? A discussion of the annuity problem in response to an enquiry. Page 13

Business Progress

Quebec was the only one of the five economic areas of Canada to lose part of its business gains in July. An examination of the results for each area. Page 7

Mining Recovery

Charles A. Clements, New York consulting economist, tells why he expects mining to be the first major industry to recover stability. An exclusive Post interview. Page 14

Selling Produce

With 8,000,000 lbs. of excess butter, Canada is hoping for a market abroad. Page 9. Feed shortage in the United States may mean exports of Canadian hay and grains across the border, according to Dr. Gaines T. Cartinhour. Page 2

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HIGHER COSTS MAY AFFECT PAPER PRICES

Conditions Developing to Force Higher Values

EXPENSES HIGHER

Pulpwood Costs and Mill Expenses Growing — Wood Shortage Possible

From Our Own Correspondent

MONTREAL. — Increasing costs are confidently expected to force an increase in the price of newsprint paper. In some quarters it is the opinion that prices will advance though a more conservative view is that no change will take place until the end of the year.

While those interested in securing a higher price for newsprint do not hold out any doubts as to the inevitability of an increase, there is no little opposition from the American publisher, who will be principally affected by the change in the cost of his most important raw material.

Price too Low

It is recognized that the present selling price of newsprint does not permit of profitable operations. Due to lack of co-operation among the manufacturers, however, it has been impossible to secure united action in placing newsprint prices on a higher basis.

Since the establishment of the Newsprint Code Authority in the United States and the organization of an allied association in Canada known as Nemac (Newsprint Export Manufacturers Association of Canada) the producers have managed to hold prices to a common level.

There is not as yet full-hearted co-operation among the manufacturers on a common price policy, but efforts to secure a better price and thus permit of profitable operations are more likely to come through pressure brought about by increasing manufacturing costs rather than by any action which might be taken by the manufacturers individually or collectively.

Tonnage Move Satisfactory

At one time the volume of tonnage was the principal problem of the manufacturers. Since late last summer, however, the demand from American publishers has been the cause of manufacturing being stepped up to higher levels than have prevailed since 1928 or 1929. Several of the producers now are operating at capacity. Others are not doing so well, but, the industry as a whole, is operating at about two-thirds of its rated capacity.

Net Return Lower

This in itself is encouraging, but when it is remembered that the net return per ton of newsprint at the mill for the first half of this year was probably less than a year ago, the advantage of additional tonnage is very largely minimized. Last year the Canadian producers were receiving a substantial premium on American funds when converted into Canadian dollars. This amounted to as much as $5 a ton or more during the first quarter of 1934. Since that time exchange rates between the American and Canadian dollar have reversed and today the Canadian manufacturer is converting his American dollar receipts into Canadian funds at a loss of about $1 a ton. Thus over the past year the net return to the Canadian manufacturer has been reduced by approximately $6 a ton through the vagaries of exchange. Increased tonnage on the other hand, has enabled the producer to cut his operating costs though probably not to the extent of the loss of exchange premium.

The exchange situation in itself is a business risk which would not warrant increasing the price of newsprint paper. Other factors, however, have entered the situation; factors which have a more direct bearing on costs and on which the manufacturers both in Canada and the United States are basing their demands for an increased price.

Pulpwood Costs Important

During 1932 and 1933 the majority of manufacturers limited their woods operations to a minimum, the majority eating into their wood piles or buying from contractors or settlers in order to keep down their wood costs. It now has become necessary to replenish wood piles

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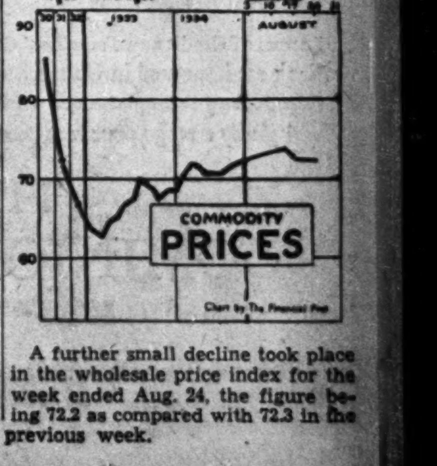
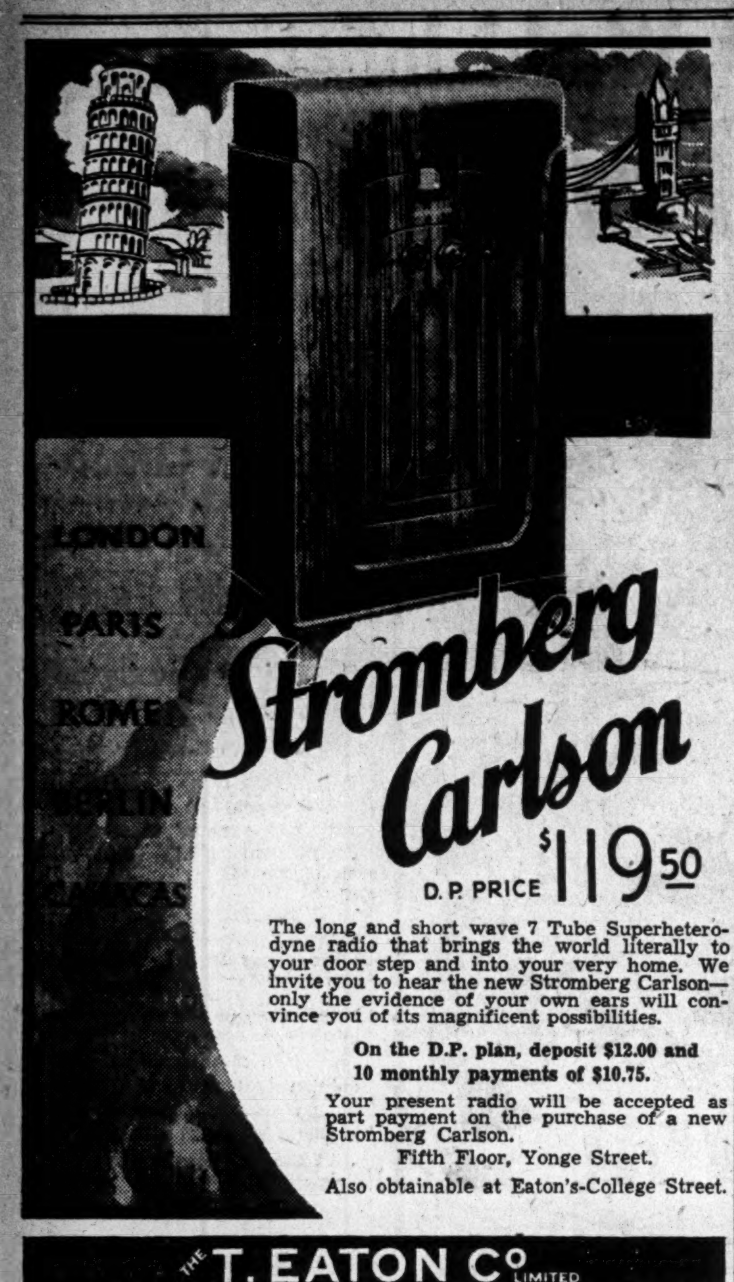


A further small decline took place in the wholesale price index for the week ended Aug. 24, the figure being 72.2 as compared with 72.3 in the previous week.



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THE T. EATON Co LIMITED

ONTARIO BEER SALES MORE THAN DOUBLED UNDER NEW SYSTEM

(Continued from page 1)

supplying 16 per cent of the Ontario demand, and companies manufacturing in that province claim that what they have lost in Hull and similar strategic border points as a result of the more open distribution in Ontario they have more than made up in direct sale in Ontario. Brewers in Toronto and Western Ontario claim that costs are much higher in Ontario. Taxes and wages are higher, they state, and this accounts for the large slice of the market going to Quebec and not the quality of beers produced in the older province. On the other hand, hotel owners interviewed by The Post state emphatically that Black Horse, Frontenac, and Dow's, which so far sell to the consumer at identical prices with Ontario brands, are among the most popular lines carried. These authorities admit that the advertising of the Quebec beers is partly responsible for their popularity just as the pre-prohibition advertising of Labatts and other Ontario brands is helping their present sale.

After a month of the new Government control in Ontario the brewing companies are prepared to advocate certain changes, many of which they anticipate will be made in the near future.

Hotel Price Too High

Present hotel prices, it is generally agreed, are too high. Ten cents per glass for draught beer and 20 cents per 11 oz. bottle, as the maximum fixed by the new law, could be lowered. The price at the brewery, it is stated, does not allow more than sufficient margin of profit with the provincial and federal governments getting about one third of the gross volume in taxes. But the hotels, the brewers state, might consider a smaller margin. A 25-gallon keg which holds 4,000 ounces is sold by the brewer for $18. Put into glasses this is retailed by the hotel trade at $40 to $50. The 11 oz. bottles which cost the hotels about 10 cents each are laid down on the customer's table for 20.

A lower alcoholic content is also sought in certain quarters. The prohibition era with its bootleg liquor and home brewing built up the present popularity for strong ales. This is a mistake in the opinion of many brewers who claim that a less powerful beer could be made just as palatable, though not any more cheaply, and the results would be more respectable. Both in United States and Great Britain it is claimed the average beer is lower in alcohol than in Ontario.

Finally some of the companies would like to see the Government make it compulsory for bottled beer to be sold absolutely intact, with the label, bottle, cap and seal passed right along to the consumer. It has been alleged that in certain instances draught beer of a different brand has been poured into unlabelled bottles and palmed off as the special product requested by the customer.

CAN. CANNERS MAY DEVELOP NORMAL YEAR

(Continued from page 1)

fall. The crop, as usual, is large enough, but if frost comes early, the packing season will be curtailed. On the other hand, if the harvesting continues until late in the fall then a large pack is possible.

On the whole there is less worry over the tomato pack this year than since 1932. The carry-over, while still substantial, could be cleaned up in one year, it is believed, if purchasing power was high. If people are making more money they will not only pay more for canned goods, tomatoes included, but they will also be less inclined to do their own preserving.

May Export to U. S.

Another possibility that looms on the horizon of the Canadian canner just now is the opening of the United States market to canned tomatoes. In that country, where the tomato is as popular as in Canada, its price has risen sharply in the last few months and in common with all foodstuffs, it is expected to go still higher.

American prices for canned tomatoes are about 30 per cent above Canadian quotations and the duty is 50 per cent. If present prices continued their advance, and provided there was no increase in the tariff in the meantime, a very large market for Canadian tomatoes might be thrown open.

DIVIDEND NOTICE

The Ontario Loan and Debenture Company

189th DIVIDEND

Notice is hereby given that a Quarterly Dividend of 3 per cent for the current Quarter ending 30th September, 1934 (being at the rate of 12 per cent per annum) has been declared on the paid up Capital Stock of this Company and will be payable at the Company's Office, London, Ontario, on or after the 1st October, 1934, to Shareholders of record of the 15th September, 1934.

By Order of the Board.

T. H. MAIN, Manager.

London, Ontario, 28th August, 1934.

THE DOMINION BANK ESTABLISHED 1871

A WORD TO TRAVELLERS
. . . about Funds

It is desirable when travelling abroad to carry Travellers' Cheques and Letters of Credit rather than any considerable sum of cash. Apart from the extra risk it entails, Canadian currency carried abroad involves exchange, with consequent delays and inconvenience.

Letters of Credit and Travellers' Cheques issued by The Dominion Bank are honoured in United States, Great Britain, Continental Europe, and throughout the world. Our nearest branch manager will gladly arrange your requirements. Consult him.

THE DOMINION BANK
ESTABLISHED 1871

380F

BRANCHES THROUGHOUT CANADA AND OFFICES IN NEW YORK AND LONDON

The Nation's Business

(Continued from page 1)

of an effective inflation, which somehow seems as yet to have eluded the grasp of her monetary authorities.

* * *

IT SEEMS a reasonable interpretation of American policy that what is sought is a boom—in commodities, in stocks, in business—and to that extent the much discussed Major Angas, with his curious little pamphlet on the coming American boom, starts from a just premise. Maybe the boom will be forthcoming and if so it should be almost as jolly a party as the 1929 celebration—while it lasts. Wheat at $1.50, cotton at 20 cents, U. S. Steel at 150 and General Motors at over 100 would titillate the palates of the roystering speculating class — which would include nearly everyone — and make the nation glad that all the tickers were now high-speed ones.

The repercussions would be felt in Canada and some of the wiseacres might be able to repay their 1929 bank loans, if they did not make the mistake of increasing them.

This is no exaggeration of the possibilities inherent in the present monetary uncertainty across the border as a study of the leading article on page 3 of this issue will make clear. Possibly, it can be avoided. Most people, who retain their economic sanity, join with such sound journals as the Annalist and the Financial Chronicle, of New York in hoping so.

* * *

FOR what a silly business it is to project a nation headlong into the sort of inflationary boom that can only give temporary relief to financial and economic distress but that is bound inevitably to lead to a worse crack-up than the one that came before.

The only logical explanation for such a deliberate programme would be the hope that the collapse would pave the way for social revolution and the establishment of a Communist dictatorship across the line. And maybe it is not too utterly crazy to assume that some people who have a hand in the proceedings consider that a consummation devoutly to be wished.

Selling Annuities at Less Than Cost

THE news that Canadian companies are planning a substantial increase in annuity rates is of interest not only to prospective purchasers but also to taxpayers throughout Canada. This will be the second increase in rate to have been made in Canada in a year. Some officials go so far as to doubt whether even the new rates are high enough and forecast that an even further increase may be necessary.

In the meantime, the federal annuities branch at Ottawa continues to use not only the same rate it has quoted for the past five years but a rate based on mortality tables abandoned as obsolete and inadequate by established life companies as far back as 1925. This is a basis which companies operating under the federal insurance department were prohibited from using seven or eight years ago.

* * *

APPARENTLY, one reason for Ottawa's failure to face this situation, which is piling up an unknown liability of millions of dollars, is a plan attributed to Prime Minister R. B. Bennett for entire reorganization of the annuities branch as part of his general scheme to introduce unemployment insurance into the Canadian picture. Apparently what Mr. Bennett has in mind is a definite subsidy on the part of the federal government which would prove an incentive to the purchase of annuity contracts by Canadian citizens, thus providing them with a voluntary and thrifty plan for providing against old age and other contingencies. In the meantime, sales of the government annuity branch are touching new high peaks with the taxpayer as the unwitting goat.

Action should be taken immediately along two lines:

1. Abolition of the obsolete mortality table so that this branch of government and the consolidated revenue fund which pays its deficit, know exactly where they stand;
2. Definite declaration of government policy as to what extent, if any, and on what basis it proposes to extract from taxpayers, money to be used in this manner.

Footnotes to Ottawa

From Our Own Correspondent

Retire C.N.R. Bonds

THE Dominion Government will retire, on Sept. 1, an issue of $17,100,000 Canadian Northern Railway debenture stock (government guaranteed). Stockholders will be paid in cash. While this represents an immediate reduction in the railway debt, the Government may reimburse the treasury later on, by issuing new bonds.

* * *

Works Get Under Way

THE Federal public works programme is gradually getting under way. Including projects authorized by ordinary vote in the estimates of last session, some 50 items of construction have been started. Contracts totalling $1,314,251.24 have been awarded. On average the works, to date, comprise small public buildings, dredging, dock repairs and improvements in national parks. The largest item is $455,176 for the reconstruction of a part of the dam at Temiskaming, Quebec. Preparation of plans for the larger items in the works programme are being expedited. A score or more of architects have been commissioned to handle buildings of various kinds. The commission being paid is five per cent.

* * *

Relief Roll Smaller

STEADY improvement in the past six months has brought the total number of persons in receipt of direct relief to less than 1,000,000. The latest figure (July 31) is 990,098. This is divided between the provinces: Prince Edward Island 388; Nova Scotia 23,100; New Brunswick 9,100; Quebec 285,000; Ontario 300,000; Manitoba 56,800; Saskatchewan 180,260; Alberta 47,350; British Columbia 88,100. These figures are not confined to unemployed. In the prairie provinces they include farmers in the drouth areas. The July 31 figure marks an improvement over the corresponding figure for July 31, 1933, of 51,421 persons. Looking back over the statistics it is apparent that the demand for direct relief reached a peak in April, 1933, when 1,519,706 persons were on the relief rolls. The monthly cost peak was in December, 1933, when $7,203,317 was expended.

* * *

Debt Adjustment Starts

THE Farm Debt Relief Act will become effective in the Prairie Provinces Sept. 1. A special drive by the Government resulted in many of the official receivers being appointed. The Act calls for the appointment of one or more official receivers in each of the judicial districts. There are seven of these districts in Manitoba; 19 in Saskatchewan and 16 in Alberta. It is understood of course, that 42 receivers cannot begin to handle the farm debt problem under the act, which clearly stipulates individual treatment. And for that reason the next few months will see only a beginning of the work. The Government will add to the number of receivers just as rapidly as there is a demand for them.

* * *

Loans to Provinces

REPRESENTATIONS from the western provinces have resulted in a cut in the interest rates on Dominion loans. These loans, which began in the fall of 1931 now total $62,602,000 and the Dominion, in making them has invariably taken one year provincial treasury bills as security. The interest rate has been 5 per cent, but in view of the lower rates at which the Dominion is now obtaining money, the charge has been reduced to 4½ per cent. This means a saving to the western provinces of $313,000, of which Saskatchewan, as the heaviest borrower, will get the lion's share.

The unemployment relief negotiations promise to bring a substantial increase in the sum total of Dominion loans to the western provinces. While the general policy, at Ottawa, is to force the provinces and municipalities into the money market, it is conceded that some of the municipalities and, possibly, of the provinces have no credit to offer and in these exceptional cases the Dominion has agreed to continue the loans policy. Three loans to British Columbia, approved last July 11 and 13 have been announced. One loan of $500,000 is to cover the province's share of relief expenditures and another loan of $250,000 for the municipalities which cannot meet their relief costs. The third loan is for $500,000 and covers interest charges on provincial debt. The grand total of loans to the western provinces was reported August 11 in The Post at $61,352,000. The new loans bring the total to $62,602,000, divided as follows:

Manitoba	$11,948,000
Saskatchewan	29,305,000
Alberta	11,801,000
British Columbia ..	9,548,000

These loans were made for the following purposes: Debt maturities, $15,020,000; seed grain, $9,037,000; provincial purposes, including relief, public works and debt interest, $38,545,000.

Canadian Rand Tunnel Now in Over 200 Feet

From Our Own Correspondent

VICTORIA.—Excellent results are reported from the property of Canadian Rand Gold Mines in the Bridge River district, where work is being concentrated on the section of the property known as the Diorite group.

According to the latest report from the property the Diorite tunnel has now been driven for over 200 feet and only a small amount of additional tunnelling remains to reach a point directly below the outcrop which will give, it is estimated, 200 feet of backs.

Surface prospecting in this section has revealed five more veins and surface sampling is said to have revealed gold values in all of them. The company's engineer, F. O. Orr, M.E., believes that this work is being carried out in a highly-mineralized zone which is to be fully opened up by tunnelling on the number one vein for a distance of 1,000 feet and then drifting westward for 1,500 feet thus opening up the entire section.

Shaft Down 30 Feet at Nova Scotia Golds

Shaft sinking on the property of Nova Scotia Gold Mines in the Cariboo district of Nova Scotia is in steady progress and the main shaft is now at a depth of about 30 ft., according to W. A. Wilson, vice-president of the company who has just returned from visiting the property. A certain amount of ore is being milled steadily from the auxiliary shaft operations and construction work is nearly completed. Mr. Wilson states that the company is now concentrating on mining operations.

Broom Corn Successful

Satisfactory production of broom corn for use in the manufacture of brooms has been established on the irrigated section surrounding Taber, in Southern Alberta, this season.

U. S. A. LOOKING TOWARD CANADA FOR HAY, GRAINS

Effect of Drought Conditions Has Widespread Influence

DR. GAINES T. CARTINHOUR
New York University

NEW YORK—The agricultural situation in the United States has been seriously complicated by the proportions of the drought. It has caused damages estimated at $5,000,000,000 or more and created many tremendous problems which will become more obvious within the next few months.

It is probable that its general economic and political significance is not yet fully understood. As is well known, drought conditions are also presenting serious problems throughout Western Canada and will likely retard business recovery in that part of the Dominion. However, Canada is in a more fortunate position in some respects because agriculture, at least, may benefit materially from agricultural conditions in the U. S.

Market For Hay and Grains

The present shortage of hay is seriously affecting the livestock and dairy industry in the U. S. and it is probable that there will be a shortage of hay next year, for various reasons, regardless of whether farm conditions improve. This means of course that there is a market for the better grades of hay in the drought areas. President Roosevelt's suspension of certain duties on imported livestock feed is distinctly beneficial to Canada and should facilitate exports to the U. S.

In due course, points of entry for such imports and countries eligible to make shipments will be announced officially. While no specific commodities have been mentioned up to the time this dispatch is being written, it is generally believed in Wall Street that the proclamation will be made particularly applicable to hay and oats, and that they will be supplied almost entirely, if not entirely, by Canada should exports from the Dominion be allowed. The last official drought report indicated that some such action might be taken. Purchases of Canadian government hay are also said to be receiving consideration.

Purchase Durum Wheat

While no official reports have been issued to date that wheat will be admitted in the U. S. tax free, it is understood the U. S. Government has been negotiating with the Dominion Government regarding the purchase of 800,000 bushels of durum wheat for seed purposes. It is also reported that the Administration is considering reducing duties on foodstuffs.

Official Government estimates indicate the worst agricultural season in more than thirty years. The yield on spring wheat is reported to be the lowest in fifty years. When the shortage of fodder and the destruction of cattle is kept similarly in mind, the seriousness of the situation is obvious. The Northwest does not have enough spring wheat to keep its mills operating in order to meet the orders for flour. Furthermore, the unusually dry ground and lack of moisture is interfering with plowing in the winter wheat sections and may reduce the acreage for the next crop over and above A. A. A. requirements.

Situation Reversed

This situation is a reversal of what has almost always occurred in previous years. Usually a bumper American harvest has helped business to recover at such a period in the business cycle because of bad harvests in agricultural Europe in the same year. At present there are short crops throughout a large part of the world.

Fortunately the seriousness of the crop shortage in the U. S. is alleviated by the accumulated surpluses from previous years. During the past few years U. S. grain exports have dropped substantially. However, the present Administration can claim no credit for this good fortune. It has been interested primarily in paying farmers to cut down their crops. Of course, a large carryover would be unnecessary if there was any assurance that next year's crops would produce a reasonable amount above normal consumptive requirements. But there is no such assurance. The 1935 crops might even be lower than those of the present year.

National Campaign Planned

A national campaign is planned against food and feed waste. President Roosevelt has approved the purchase and distribution of food through the Federal Surplus Relief Corporation on a larger scale than ever before, not only for relief purposes but also to help consumers in general in the fight against profiteers. Attempted food profiteering appears inevitable under the circumstances. In fighting such profiteers, the Government is going to resort to publicity, distribution of Government purchased stores of food, and the drastic licensing powers of the Agricultural Adjustment Act.

Higher Prices Forecast

A continued rise in prices for most food products is likely. Already statistics of the U. S. Labor Department indicate a level of retail food prices higher than at any time in the past two and a half years. Crop losses in most of the leading countries will doubtless accentuate the trend toward higher commodity prices.

Some economists say that higher meat prices will come first because of a shortage of pigs and the slaughtering of over 3,000,000 head of drought area cattle. Pork constitutes more than 50 per cent of the meat consumed in the U. S. Because of stored wheat surpluses the anticipated short wheat crop is not expected to raise bread prices drastically, although there may be small increases. Prices of feeds for livestock will probably go much higher. In many States all forage feeds have been destroyed. Of course, those farmers not affected by the drought will benefit from the higher prices, when they have surpluses to sell, but at the same time must contend with rising prices for almost all of the products that must be purchased in the market.

The possibility of a high cost of living is causing considerable political and economic concern in Washington. It would be due, in about the same proportions, to the drought as well as A. A. A. crop limitations already effected. If the latter had not restricted production, it is probable that the drought would have merely reduced agricultural production to normal.

In some quarters it is believed that every effort will be made to keep commodity prices down until after the November elections, which will affect every member of the House of Representatives and a substantial proportion of the Senate. But it is doubtful if any of the specific proposals to check price advances will be efficacious.

Curtailment Still Planned

Regardless of the havoc wrought by the drought, the near certainty of higher prices for food products this winter, and the necessity of imports to take care of domestic needs in some lines, the Administration has indicated its intention of continuing the policy of curtailing acreage and production. It has been officially announced, however, that limitations on many crops are slated to be liberalized, and that wheat farmers may be allowed to plant their entire wheat acreage this winter.

Extensive Relief Plans

Relief plans for the drought area also include an expanded work relief programme, extending livestock purchases, assistance for the depressed leather market and financing the migration of farmers from stricken areas to the Columbia Basin. The Administration also intends to plant a forest shelterbelt 100 miles wide for a distance of more than 1,000 miles from Texas to the Canadian border, which is commendable and may help in the way of drouth alleviation but will require between ten and twenty years before its full effect can be measured. Other measures to preserve water resources and pastures are needed.

A commendable type of drought and farm relief is being carried on in connection with projects to halt soil erosion. Annual destruction of land values in the U. S. due to erosion is estimated officially at over $400,000,000. Approximately 135,000,000 acres of good land worth $1,750,000,000 have been laid waste, and 125,000,000 acres have been largely stripped of topsoil with loss in value of about $3,000,000,000. The Government is handling this work on a co-operative basis, land owners contributing from 30 to 50 per cent of the cost in the form of labor and materials.

Export Prospects Limited

No wholesale lifting of the export duty on hay is planned by the United States, the official proclamation of President Roosevelt expressly stating that importations will be free of duty only under considerable limitations. Permission to import free of duty will have to be obtained from the U.S. Government and will be dependent on the pressing need of the particular area. North and South Dakota, Nebraska, Texas, Missouri, Utah and Nevada are mentioned as the states having the greatest need for hay.

In addition to the restrictions planned in the United States, an order in council issued under the Canadian Marketing Act requires that a permit be obtained before export of hay can be made, the requirements being a sufficiency of hay in the area from which the shipment is planned. It is said that this will not affect the regular trade from Quebec and the Martimes to Great Britain.

Say Canada Spoiling Nfld's Salmon Market

Newfoundland salmon exporters are charging Canada with exporting a poor grade of frozen salmon to Great Britain, labelled "Newfoundland Salmon" and thereby harming the reputation of genuine Newfoundland fish in that market. It is said that these fish are exported from Newfoundland to Canada in ice and about a week or two later frozen for export to Great Britain.

Unsatisfactory conditions have prevailed in the Newfoundland salmon industry this year, the run of fish in some areas being poor and prices small. In Great Britain — the chief market — prices quoted for fresh salmon have sometimes been lower than for the frozen imports. The hot summer, however, has increased consumption, it is stated.

C. P. R. INCOME AT HIGH LEVEL IN JULY MONTH

Gross for Month Best Since October 1933

Net profits of the Canadian Pacific Railway Co. for July amounted to $1,511,481. This contrasts with $1,368,380 in July of last year, representing an increase of $143,101. Gross earnings for July at $10,716,853 showed an increase of $574,426, when compared with gross for July, 1933, while working expenses at $9,205,371 showed an increase of $431,324. Gross for the month was at the highest level for any month since October of last year.

For the seven-month period of the current year ended July 31, net profits of the road amounted to $9,565,894, which compares with $6,229,521 in the corresponding period of last year, an increase of $3,336,373. Gross for the seven-month period at $67,927,533 showed an increase of $7,061,611, while working expenses at $58,361,639 showed an increase of only $3,725,238 over those for the same period of 1933.

Comparative figures follow:

	1934	1933	Inc.
MONTH OF JULY			
	$	$	$
Gross	10,716,853	10,142,427	574,426
Exp.	*9,205,371	8,774,047	431,324
Net	1,511,481	1,368,380	143,101
SEVEN MONTHS	1934	1933.	Inc.
	$	$	$
Gross	67,927,533	60,865,922	7,061,611
Exp.	58,361,639	54,636,401	3,725,238
Net	9,565,894	6,229,521	3,336,373

* Includes pensions.

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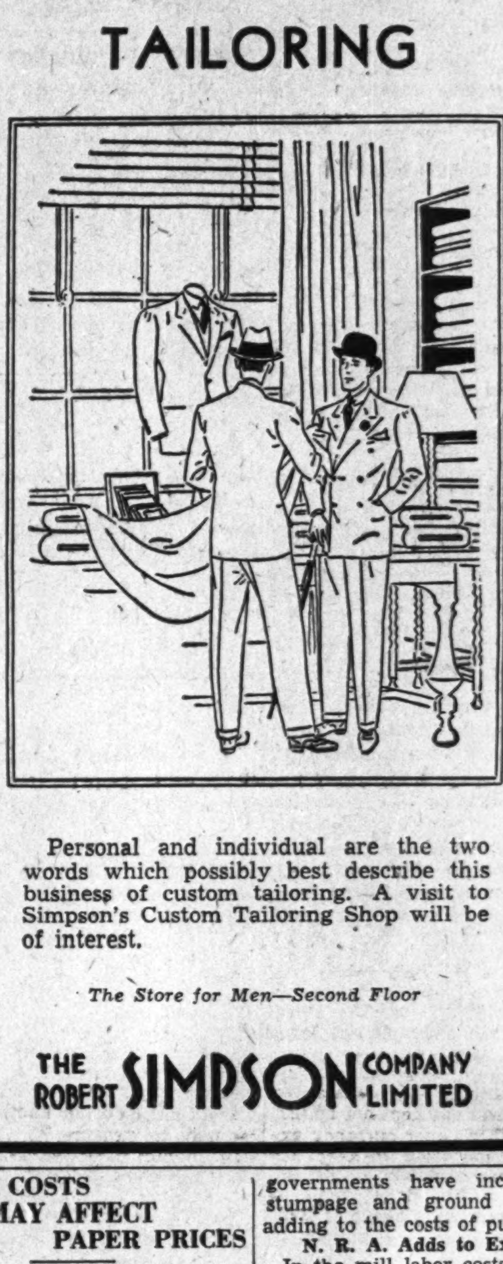

Personal and individual are the two words which possibly best describe this business of custom tailoring. A visit to Simpson's Custom Tailoring Shop will be of interest.

The Store for Men—Second Floor

THE ROBERT SIMPSON COMPANY LIMITED

HIGHER COSTS MAY AFFECT PAPER PRICES

(Continued from page 1)

through a resumption of woods operations on a large scale.

The supply of pulpwood at the moment is limited; well under what is regarded as normal for the current volume of business. Over the past two years woods operations have been reduced to minimum. In addition weather conditions last winter militated against getting logs out of the woods, so that mill supplies are far from being ample.

Considerable uncertainty exists over the coming winter's cut. The banks are not too eager to advance money for woods operations when they are uncertain of the ability of the manufacturer to sell his product on a profitable basis. The producer with the necessary working capital to finance his pulpwood cut is in much the same position. So that unless there is some definite indication of price increase for newsprint paper, there is likely to be a short cut of pulpwood which by next summer might make for a shortage of pulpwood. This in turn might force an increase in paper prices beyond what is not expected.

Woods Costs Higher

The cost of getting pulpwood out of the limits to the mill has increased. Though the supply of labor is plentiful, wages paid to woodsmen in Eastern Canada have increased by from 10 to 15 per cent in recent months. On top of that the cost of equipping camps, such as the purchase of foodstuffs and other supplies, have gone up proportionately.

During the more difficult times the provincial governments allowed certain concessions to operators in order to stimulate woods operations and thus provide a greater amount of employment. These concessions have been largely eliminated. Both the Quebec and New Brunswick governments have increased the stumpage and ground rates, thus adding to the costs of pulpwood.

N. R. A. Adds to Expenses

In the mill labor costs also have gone up. Under the terms of the N. R. A. code the American manufacturers increased wages. A short time later similar action was taken in the Canadian mills.

Woods and mill costs are materially higher today than they were a year ago, largely due to the enforcement of N. R. A. code policies. While the N. R. A. does not apply to Canada, the manufacturers in this country have had to adopt somewhat similar measures in order to hold their positions.

The additional cost of producing newsprint is in a large measure due to the N. R. A. policies, a factor which strengthens the hands of the producers in endeavoring to secure a better price from the American publishers in order to offset the advances.

Expect Price Increase

The publishers as a group are said to be reconciled to the near approach of higher price for newsprint, but are opposing such a move because of doubt as to the extent of the increase. There is talk of an advance of $10 a ton, but this figure is regarded as being more than the market can bear at this time. An increase, if, as and when it comes about, will likely not be more than $5 a ton, which would about cover the additional costs of producing newsprint.

As the situation now stands the manufacturers have five causes bearing in their favor for better prices. These can be briefly summarized as follows: increased costs of pulpwood and uncertainty as to supply; increased mill costs; adverse exchange rate for Canadian manufacturers, who supply more than half of the United States newsprint requirements; better spirit of co-operation among the producers; and the psychology of the times, i.e. the general upward trend of values in all lines of industrial activity.

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Tendency to Inflation in U. S. A. Threatens World Price Levels

Canada Vitally Affected as Closest Neighbor — Billions Involved in Gigantic Experiment

By C. W. STOLLERY

Is there a world-wide trend toward inflation?

The answer, except for the United States, is not simply "yes" or "no," but in either case the implications are of major importance to the business man and the investor and even to the housewife and to her butcher, baker and candlestick maker.

Many Canadians will remember that the gradually rising cost of living in this country from 1900 to 1914 brought about an extensive investigation of the reasons, because of widespread public discontent. Wage earners wanted to know why Johnny's shoes cost so much and why Mary's dresses were more expensive than if she had been born 10 years earlier. After the war time inflation, butter was $1 a pound, and Canadians were paying $60 a suit for clothes and from $50 to $100 for each automobile tire.

Another group of Canadians, the farmers, recall $2 wheat with delight and have more recent memories-with-horror of 50-cent wheat.

A substantial rise of prices throughout the world and in Canada would mean a lower purchasing power for the wage-earner's and investor's dollar. It might mean a larger national income in Canada, at least on paper, of which the producer of primary products would get the lion's share.

Forces of Inflation

Various world forces appear to be working toward price-raising by inflationary methods. First, it will be remembered that the nations of the British Empire solemnly reiterated at London in 1933 their intention to work toward raising ther respective price levels. And they are still trying to do it, with some success. Second, the United States is rapidly excavating the foundation of an inflationary credit structure, into which serious-minded people hope the whole building will not sink. Third, currencies throughout the world have been devalued, or are under pressure sufficiently forceful to bring ultimate debasement. Fourth, political pressure from debtors throughout the occidental world is becoming increasingly difficult to disregard. And so on.

British Inflation

Here is some of the British inflation. Australia has held its pound at more than 25 per cent below sterling to maintain prices. New Zealand, or part of it, liked the results so much that it has done the same thing. South Africa's pound has been placed on equality with sterling, despite the country's enormous gold production, largely to avoid the pressure of falling prices. Great Britain has expanded its credit structure, but corrected the most insidious inflation, an unbalanced budget. Canada has kept her budget unbalanced, her paper currency expanded, and has tried to keep her dollar as near possible to the inflated U. S. dollar. Bank credit in Canada appears to show expansive possibilities under Government prompting.

Now for the United States. Being next door, Canada is sympathetically affected by any American inflationary moves. It will be remembered that inflation in combatant nations in the war forced non-combatant countries into the same measures.

Drifting Into Inflation

The question of the inflationary nature of the credit structure being developed in the U.S.A. is answered by the impartial and accurate Industrial Conference Board, which states in a recent bulletin:

"By deliberate design we are drifting into an inflation. It may even be admitted that we are deliberately drifting into a controlled inflation. We are not drifting into the sort of inflation, however, that finds definite parallels in the past. Nor into the sort of inflation that will be promoted and controlled in the manner that monetary inflationists have pictured for us. Rather the current of contemporary policies seems to be carrying us into an inflation that will have as its motivating drive and control, government expenditure and the extension of government enterprise and social welfare activities."

Size of Inflation

Some idea of what this inflation is can be gained from this recent comment in the Commercial and Financial Chronicle, New York, on a U. S. Federal Reserve Board statement:

"The Treasury again dipped into the so-called gold 'profit' resulting from devaluation of the dollar to the degree that certificates were deposited in excess of the fresh gold acquisitions. This procedure, common in recent weeks, occasions a continued increase in the credit potentialities and an ever greater downward pressure upon money rates. Member bank deposits with the Reserve banks are stimulated by the process, and such deposits again advanced $5,000,000 in the week covered by the statement. The total of such deposits on reserve account now is $4,064,270,000, and excess reserves over requirements now stand approximately at $1,950,000,000, which again is a high record. Needless to say, no such total ever was held imaginable before the Treasury took over the complete control of the credit and currency arrangements of the country."

The significance of these excess reserves is that they may possibly be expanded into an increase of nearly $20,000,000,000 in bank money, or over one-third of the present total.

A major inflationary feature of the American situation is the enormous deficit. In the fiscal year ended June 30, the United States Government was $3,000,000,000 behind schedule in its deficit. For the current year works outlays were planned at $10,000,000,000, but it seems that several billions should be added because of the preliminary delay in spending. "There is now no prospect of a balanced budget before 1937," a prominent American banking house comments.

The United States is spending money and creating credit just as if were fighting a war. The battle is for higher prices and "prosperity" with inflationary ammunition.

Debasement Inflation

Debasement of the American dollar is also seen by some experts as a great inflationary move. Others do not agree. Professor E. W. Kemmerer of Princeton University is one who sees debasement as highly inflationary. He believes it a reasonable assumption to suppose that the 1926 level of prices represents what will be the purchasing power of gold when the world finally works out of the depression. But because of the effects of devaluation of the American dollar to 59.06 per cent of its former gold value, he remarked in a recent article in the N. Y. Sun that it is possible that:

"All prices would be about 69 per cent higher than in 1926. Wholesale prices would be 139 per cent higher than for last November; general prices would be 118 per cent higher, and the cost of living would be 126 per cent higher. These are the price advances that we may reasonably expect will ultimately take place when the depression is over and when the results of the devaluation have completely worked themselves out.

"The above estimates are on the assumption that the powerful inflationary forces now at work, both political and economic, can be effectively controlled, and that the newly established monetary standard can be maintained. If, however, inflation should once break from control and if we should have a strong flight from the dollar, prices would rise to very much higher figures."

This is a word picture of a genuine inflation, based on the assumption that an international gold standard is resumed. If Professor Kemmerer is even half right, his deduction is important to the whole world. Because dollar devaluation means ultimate devaluation of other currencies, according to expert opinion. And all round devaluation on a gold standard basis would mean that Professor Kemmerer's startling remarks could be applied to a legion of national currencies.

Another Viewpoint

On the other hand, Professor Rufus S. Tucker of the Brooking Institute, does not believe that the value of gold exerts this all powerful influence on price levels. In a recent article in the Journal of Political Economy he says:

"The short, sharp upswings and downswings of prices that characterize business booms and depressions have been very harmful. They have plainly had nothing to do with the supply of gold or the price of gold. If the demand for gold is measured by volume of business activity (and I do not know any better way to measure it), then those short swings have not been affected by the demand for gold. They have primarily been caused by excessive expansion and contraction of credit, especially bank credit."

Comparison With France

It is this expansion of bank credit in the United States, and the accompanying increase in government debt, that led D. W. Ellsworth, editor of the New York Annalist, to compare the American situation with that of France at the time of the franc debasement after the war. He comments:

"It should be noted that the greatest similarity between the French inflation and the American situation to date is in those items most likely to cause or to lend to inflation, namely government debt and government borrowings from the central banking system. There is also considerable similarity between the rise of bank deposits here and that which occurred in France in 1919-20. The only difference in the course of the gold values of the two currencies is the greater rapidity of the depreciation of the franc.

"In other items there appear marked differences. Commodity prices rose far more violently in France, but that was partly because of the simultaneous occurrence of world-wide gold inflation; i.e., the countries which remained on gold after the close of the war also experienced a violent rise of prices. On the whole, these comparisons seem to present a picture of considerable success for political doctors who are so bankrupt of knowledge of elementary economics and monetary principles that they are willing to risk everything in pursuit of a goal, which, once achieved, will only call for further remedies for the new maladjustments inherent in an artificially created higher general price level."

Whether due to debasement, or to expansion of credit and unbalancing of the budget, American commentators are leaning more and more to the belief that a real inflation is in the air.

Debasement of Currencies

While it is not agreed that debasement of currencies means correspondingly increased prices, devaluation is conceded by most authorities to be of an inflationary character. The extent to which debasement has spread since 1930 is indicated by the following approximations of depreciation in major currencies:

Currency of:	Depreciation Since 1930 %
Sterling group (including Scandinavian currencies, S. Africa, India, Portugal, etc.)	39
Gold group (Holland, Belgium, Switzerland, Italy, Germany, etc.)	nil
Silver group (Straits Settlements, Hong Kong, Shanghai etc.)	30
Great Britain	39
United States	41
Canada	40
Australia	52
New Zealand	52
France	nil
Austria	25
Czechoslovakia	16
Mexico	33
Japan	64
Spain	55
Argentina	60
Chile	50
Peru	50
Brazil	50
Uruguay	55

Devaluation to Come

Most of the nations of the world have yet to take official steps to devalue their currencies. But the United States, Czechoslovakia and Austria have started the ball rolling. Others are expected to follow.

In countries like France, Belgium and Holland, where no devalutation has taken place, evidences of resulting economic pressure have been plentiful. Workers object to facing the full implications of deflation, including lower wages and balanced government budgets. So does industry. Yet the fear of the consequences of inflation is so great that these governments have been able so far to avoid debasement. This fear is the consequence of inflations of the past by which the "middle classes" became impoverished. Nevertheless it is predicted that many of these "gold" currencies may be forced into debasement.

Inflation of credit in the British countries and in the United States has as one major objective, higher wholesale prices for goods and commodities to enable producers to earn profits. Another objective is to resuscitate the still depressed construction industries. The latter is a consummation devoutly to be wished in the opinion of most men of commerce. The price-raising objective, however, is a conundrum the solution to which is puzzling the world's best brains.

On this point Professor Tucker, quoted in the foregoing, cites what history has shown to be the course of inflation:

"In all of the cases of inflation or currency depreciation that I have ever come across, it has been apparent that the wrong prices rose most rapidly and farthest. Prices of imports regularly rose ahead of exports and other domestic prices. Of course, prices of raw materials rose faster than those of manufactured goods. In many cases, however, agricultural products have lagged behind and have even fallen for a time after inflation began. Retail prices have, of course, always lagged behind wholesale prices, and wages have been slower still to rise. Inflation and currency debasement have been very effective in raising prices of articles that citizens have to buy, but much less effective in raising prices of what they have to sell. That is probably the reason why generations that have experienced the blessings of inflation have always been so bitterly opposed to repeating the experience. It explains why after our (U. S.) dollar was allowed to drop to 35 cents in 1864 the nation struggled through 15 years to get it back to par. It explains, also, perhaps, why Dante many centuries ago declared that there was a special place reserved in hell for monarchs who debased the currency.

"It is being more widely recognized by economists that a decline in wholesale commodity prices is desirable if the decline is not more rapid than that in the cost of production. That is the most effective way in which the benefits of technological advances can be diffused among the people. History shows that the long periods of declining commodity prices have been periods in which the real wages of workingmen have increased most rapidly, not only here but in England and Sweden. These periods of declining commodity prices were also periods in which the population and the per capita production of basic commodities and the volume of foreign trade increased the most rapidly both in this country and in the world at large. They were periods in which budget surpluses greatly outnumbered budget deficits and in which the federal debt was drastically reduced."

How Prices Rise

If prices are raised through inflation, past experience would indicate that the extent of the rise should be largest and should be felt soonest for wholesale commodity prices, later, for retail prices. Wages and rents would be expected to rise more slowly. Prices of common shares would be expected to advance sharply. In the latter stages of an inflation, bond prices might decline and interest rates rise. This trend for bonds might not develop in the early stages of an inflation, because manipulative purchase of such securities is sometimes the means by which the inflation is started. In fact the hardly noticeable effect on bonds sometimes give the investor a false feeling of security.

In Canada, credit expansion and a mildly inflationary trend, along with business recovery, have been affecting prices in the historic manner. This is shown below:

Price Changes in Canada
(1926 = 100)

	July 1934	March 1933	Change %
Common stocks	81.3	48.9	+66.3
Wh'sale prices	70.5	64.4	+9.5
Retail prices	78.4	77.8	+0.8
Rents	79.7	90.0	—11.5
Interest	83.1	100.0	—16.9

Rents are now stiffening. Interest rates are still on the downward path, largely because Canada's monetary policy has been to this end. If the upward trend of wholesale commodity prices continues, retail prices would be expected to follow. For some classes of retail goods, prices have risen substantially more than the amount indicated by the average.

Experience of 1917 to 1920

There was an inflation in Canada during and after the Great War. What happened in the latter stages is shown below:

Price Changes in War Period
(1926 = 100)

	1920	1917	Change %
Common stocks	66.3	60.6	+9.4
Wh'sale prices	155.9	114.3	+36.4
Retail prices	124.2	85.6	+45.1
Rents	86.5	65.4	+32.3
Interest	124.8	114.6	+8.9

This may be an exaggerated version of what might happen in the event of a credit inflation on an international scale in the next few years. Stocks might be more susceptible to the rise than they were between 1917 and 1920 because speculative sentiment is more volatile. The above table shows a greater proportionate rise in retail prices than in wholesale prices, which might not actually be the case in a less marked inflation. Bonds certainly suffered by a decline in prices in the 1917-1920 period, and the real income of bondholders was lower because of the rise in retail prices.

Investors' Fears

The probably exaggerated trends indicated in the foregoing have been the subject of the fear of investors, particularly those holding bonds. They fear both a decline of prices for their bonds and a reduction in the real purchasing power of their fixed incomes from the securities. Although there appear to be indications of an inflationary trend toward higher prices in Canada and elsewhere, it is by no means certain as yet that the fears of these investors are likely to be suddenly realized. Nevertheless, investors are, not unwisely, keeping the possibility in mind.

In an inflation, wages, like rents, rise more slowly than prices. This caused the complaints about the rising cost of living in Canada before the war. Later these became cries of anguish as prices rose to unprecedented heights in this country. Even in the rise of prices that has occurred in the past year, the average shopper is able to see that his purchases are costing him more. A rise in living costs is one of the major results of an inflation, even on a moderate scale, and is costly to the vast mass of wage and salary earners.

The faster and larger rise of commodity prices in an inflation might benefit the farmer very materially in Canada. Merchandising and processing businesses might also benefit by reason of the profit they obtain on goods in stock or in process while prices are rising. But if a major inflation were to develop, the ultimate result would probably be costly to the whole Dominion. Once such an inflation starts, history shows that to stop it means business collapse and to condone it means national bankruptcy.

J. M. Keynes, the noted British economist, sees no cause for alarm in the American situation. In recent writings he has indicated that the budget deficit and credit expansion in the United States should restore American prosperity. Nevertheless, many competent American observers are distinctly nervous. Some of them would even grant what Mr. Keynes says to be correct, but suggest that the manufactured prosperity will probably bring on another business collapse.

For Canadians, the important consideration is that no matter how domestic the American inflation, if any, may be, its influence on this country may be profound. If an American inflation develops, and even if it does not pull the rest of the world with it, Canada is the country most likely to be drawn in because of its proximity to the inflationary centre of gravity.

Manufacturing in B.C.

In 1932, reports were received from 1,643 manufacturing establishments in British Columbia and the Yukon Territory. The combined output of these establishments was valued at $140,538,016. Employment was furnished to 29,488 persons who were paid $33,210,405 in salaries and wages. The value of output was $74,577,448.

Vancouver Harbor $6,000,000 Bridge Appears Assured

From Our Own Correspondent

VANCOUVER. — It now seems pretty well assured that British capitalists, said to be headed by the Guinness interests will build a $6,000,000 bridge across the First Narrows entrance to Vancouver harbor.

Only details remain to be settled, according to indications from Ottawa, where the project has been under negotiation for several months. The federal government is reported to be in favor of the general plan of the bridge and to have agreed on the location. The only issue in dispute is the length of the proposed span, and this does not seem to offer much cause for serious conflict. The plans submitted to the cabinet by the interests ready to finance the project called for a 1,450-foot span. This is not long enough to suit the government, especially in view of the protests of Vancouver harbor interests that a bridge of the length proposed would interfere with safe navigation of the channel.

There has been a good deal of controversy about the bridge ever since the scheme was initiated, one argument being that only a first class bridge in every respect should be tolerated and that anything less than that would be a serious liability for the harbor.

Promoters of the bridge, however, claim that the bridge will conform with the most exacting specifications and that it will serve as a valuable artery between the city of Vancouver and the north shore, where the same interests who are financing the bridge have already expended a large sum of money on real estate development.

Good Pilchard Run

Pilchards have appeared recently on the West Coast in large quantities and a good production of fish oil and meal is expected.

Thoroughly Organized

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A Conservative Trust Company for the Public's Service.

Crown Trust Company
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Publish List of Stocks
5-year Dividend Record

Jenks, Gwynne & Co. has published a special list of common stocks, listed on the New York Stock Exchange, which have paid dividends continuously over the past five years.

Tables give the list of stocks and a comparison between the dividends paid and the earnings per share.

VISUALIZE the SIZE of this 72.8% FRENCH MONTRÉAL Market District

THERE are 1,996,255 people in the MONTREAL Market District—over a million in the Metropolitan area; almost another million in the district tributary to Montreal and shown in the map below.
And 72.8% of these people are FRENCH!

There are about as many FRENCH in the Greater Montreal Metropolitan Area as the total population in the City of Toronto. Comparisons, based on Government figures, are used to visualize this FRENCH market—Metropolitan, Urban, and Rural—which warrants premier attention by reason of its size, buying power and wealth.

Here are the Comparisons:

THE Metropolis, the lesser cities, the towns and the rural communities in the map below, merge one into the other to form that very important division of Canada's population designated as the MONTREAL Market District.

Compare the number of FRENCH consumers alone in Montreal metropolitan area with all the people in Toronto City. →

FRENCH Population of GREATER MONTREAL 60.37% 611,237

Total Population of CITY of TORONTO 631,207

MONTREAL Metropolitan area, the largest French speaking city in the World — except Paris — 60% of its people reading, thinking and speaking FRENCH.

Other Languages Greater Montreal 39.63% 406,887

Total for OTTAWA-LONDON HAMILTON WINDSOR 416,675

Manufacturing Cities in the Montreal Market District, with FRENCH population heavily predominating. A corresponding group of cities in Ontario is shown for comparison. →

Valleyfield, Grand'Mère, St. Hyacinthe, Hull, Sherbrooke, Three Rivers, and 11 other cities.
FRENCH 90.5%-207,624
Other Languages 9.5%-18,851

Belleville, Galt, Brantford, Guelph, Kitchener, Oshawa, Peterboro, St. Thomas, St. Catharines, Welland, Woodstock, Stratford, Owen Sound, 213,257
Niagara Falls 19,640

INDUSTRIAL Towns in Montreal Market District compared with those in Ontario. →

French in Towns 81.8%-89,830
Other Languages 18.2%-19,982

23 Ontario Towns 89,969
7 Ontario Towns 19,062

FARMS and VILLAGES are 85.4% FRENCH. The possibilities of this group are better understood when you realize that almost all that the growers produce is consumed in nearby towns and cities.

Nearly all the money involved circulates within the District. This point also is worth serious thought. Compare this FRENCH population with the rural and village population in all the Ontario counties listed. →

FRENCH in RURAL Districts 85.4% 545,689
Other Languages 14.6%-93,177

Ontario Counties (Villages and Rural only)
Brant, Bruce, Dufferin, Durham, Elgin, Essex, Grey, Haldimand, Halton, Huron, Kent, Lambton, Lanark, Middlesex, Norfolk, Ontario, Oxford, Parry Sound, Perth, Grenville, Lincoln 544,160
Northumberland, Hastings, Frontenac, Grenville, 93,097

WHAT KIND of People are in these FRENCH Communities?

THEY are no different from any other group of consumers! They are men, women and children — just like those you see every day of the year! Wealthy or not — housewives, school-children and society women — young men — young women — executives and farm help — skilled and unskilled workers.

They use the same kind of money, buy as intelligently, save where they can, try to provide for the future, work hard, have a sincere attachment for their families — just normal CANADIANS!

They live in the same types of homes, use the same conveniences, seek the same amusements, eat the same kind of foods as other people.

The FRENCH people are intensely proud of their identity. They jealously guard their right, under the British flag, to speak French, read FRENCH; FRENCH is the language of their schools; they preserve the FRENCH traditions in their law courts, governing bodies, institutions — AND IN THEIR NEWSPAPERS.

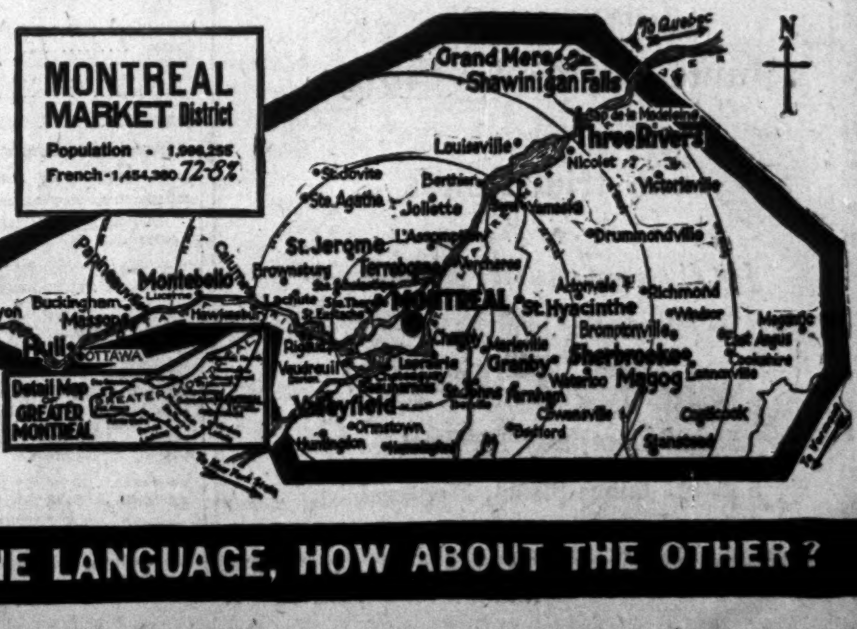
The manufacturer who would develop his trade potentialities among the FRENCH reading, speaking and thinking people must realize that while their habits, inclinations and buying powers parallel those of another tongue, they make their own decisions, do their own buying and respond to invitations to buy addressed to them specifically.

As individuals, they are quick to appreciate values. Their loyalty to friends and neighbours results in a rapid expansion of sales of acceptable products, in a market that is not over-sold and which has unrealized potentialities.

INTELLIGENT sales effort and organization, backed by adequate advertising, will make this FRENCH speaking, thinking and reading market yours! Plan the necessary advertising coverage in the media that reach these people in their own language.

For information, based like the above on Government and other statistics from responsible sources, on marketing conditions in the Montreal Market District, address Business Manager, Canada's FRENCH National Newspaper; La PRESSE, Montreal, Que.

or S. L. Rees, 213 Metropolitan Bldg., Toronto, Ont.
Clougher Corporation, 19 Craven St., London, W.C. 2.
William J. Morton Co. { New York Office: 200 Fifth Ave. / Chicago Office: 410 N. Michigan Ave.



YOU MAY BE STRONG ENOUGH IN ONE LANGUAGE, HOW ABOUT THE OTHER?

Bank Chat on Current Topics

Losing Deposits

TALK of reduction of the rate of interest on savings deposits to two per cent has resulted in revival of the cry that the consequence might be loss of bank deposits.

While individual banks within the Canadian banking system could lose deposits to one another, it is impossible for the system as a whole to lose deposits unless they are converted into currency, according to the reasoned conclusions of economists.

Many bankers would not accept the economists' conclusions. But in this instance many of the commercial world's foremost thinkers agree with the savants. Their explanation of the claim that deposits cannot be lost in the manner anticipated is worth examination.

* * *

Deposit Movement

IF MONEY is withdrawn from a bank deposit in the form of cash and hoarded, obviously a decrease in deposits has occurred. But if, say, $1,000 is withdrawn and invested in stocks, the seller of the shares has the money and can only deposit it or hoard it. True he may deposit it in a different bank, but the banking system as a whole has not lost deposits. Clearly there is no reason why this should not hold true no matter how often the money is turned over from one person to another.

If, however, a Canadian were to draw $1,000 from his bank and invest it in American securities, would there be a loss of deposits? No, say the economists. The Canadian would have to buy an American draft to pay for the securities. And the seller of the American funds would naturally take Canadian funds in payment. And this would result in a deposit in a Canadian bank.

* * *

Foreign Exchange Pressure

THIS reasoning would indicate that there can be no loss of deposits in the banking system as a whole by chequing. Nevertheless, if enough Canadians withdrew deposits to invest them abroad, for which purpose they would have to buy foreign exchange, the effect might be to weaken the Canadian dollar's value against other currencies.

It would seem, therefore, if we are to agree with this reasoning, that a reduction of interest rates on savings deposits would tend rather to weaken the Canadian dollar, by making this country less attractive to foreign and domestic investment, than to reduce total deposits.

If it is true that chequing does not reduce deposits, what does? This is another story and has been discussed in this column before. Hoarding of cash will do it. Repayment of bank loans tends to reduce deposits, just as creation of loans creates deposits. This is accepted fact in the opinion of many of both bankers and economists. Sir Thomas White acknowledges it in his comment in last year's report of the Royal Commission on banking in Canada.

* * *

Long Term Kiting

AN INSTANCE of all-winter kiting of cheques in Port Arthur many long years ago was recently recounted in the Port Arthur News-Chronicle. The system was described by I. L. Matthews, an old Port Arthur resident.

The merchants of the city bought supplies from Toronto and Montreal houses. As an inducement to prompt payment, discounts of 10 per cent for payment within 10 days and 6 per cent for payment within 30 days were common.

The merchants would subtract the discounts and send cheques to Toronto and Montreal in payment of the balance. The cheques were drawn on the former Ontario Bank at Port Arthur. It took a long time for the cheques to reach the eastern supply houses, but it took a great deal longer for them to get back, especially after navigation closed. The town then got its mail from Duluth by dog team, and the cheques would be weeks en route.

Meanwhile the merchants would scour Port Arthur for the funds to meet their wandering cheques. Frequently, however, according to Mr. Matthews, they had to resort to the Ontario Bank for a loan to meet them.

The saving in interest charges over what would have had to be paid on a bank loan from the time of issuance of the cheques must have been substantial.

Staff Changes

The Bank of Nova Scotia announces the following staff appointments:

F. L. FIELDS to be assistant manager at Vancouver, B.C.

A. W. PEQUEGNAT to be manager at Shawville, Que.

R. T. ADAM to be manager at St. Jacobs, Ont.

The Royal Bank of Canada announces the following staff changes:

F. C. McMillan, formerly accountant Seigneurs St. branch, Montreal, to be manager at Atwater and St. Catherine Sts., Montreal.

J. S. Hill, formerly accountant at Stratford, Ont., to be manager at Hardrock, Ont.

D. R. Sutherland, formerly accountant at Lachine, Que., to be manager at Arvida, Que.

C. D. MARBLE, formerly of head office staff, to be manager at Lacombe, Alta.

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and
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Current Events in Banking World

IMPERIAL BANK NEW HEAD OFFICE READY BY 1936

Start to Build Within Three Months on Toronto Site

Construction on the new $1,000,000 head office building of Imperial Bank of Canada at Toronto will start in about three months and will be completed and ready for occupancy before January, 1936, The Financial Post is informed. Contracts are being let and work will commence as soon as tenants vacate. Coincidentally, the construction will take place in the bank's diamond jubilee year.

A feature of the construction is that the steel frame and concrete floors of the present branch building at King and Bay Sts., Toronto, will be utilized in the new building, which, however, will have a 100 ft. frontage on King St. and on Bay St. The present branch has 33 ft. on King St. and 100 ft. on Bay St. An old three-story building at the east of the present structure with a frontage of over 66 ft. on King St. will be demolished to allow the addition.

Economic significance of the announcement, which was made by A. E. Phipps, general manager of the Imperial Bank, is that the bank's directors think well enough of business conditions to undertake the construction.

Faced With Stone

The terra cotta exterior of the present five-story branch building will be removed and replaced with natural grey stone. The building will be the first business building in Toronto to be completely air-conditioned winter and summer. Other mechanical equipment will include pneumatic tubes, dictographs and telautographs for communication between various departments. The main banking floor will be more than three times the size of that of the present branch office at King and Bay Sts., and will be 1½ stories high. Four upper floors will provide for head office executive and staff. The sixth floor, of smaller area than the lower five floors, will be taken up with board room and subordinate space. Modern vaults and safety deposit equipment will be installed in the basement. The main entrance will be on King St. with an entrance to elevators near the eastern end of the building.

Reasons For Move

Mr. Phipps states that the bank has been cramped in the present head office quarters on Wellington St., and that it is the intention of the bank to provide modern and architecturally attractive offices without being pretentious. The new building will be the main branch of the bank, and business will be carried on in the present part of the structure during construction.

Architects for the building are Sproatt and Rolph. Structural engineers are Harkness & Herzberg, and H. H. Angus is consultant for mechanical engineering details.

Banks Open 2 Branches And Close 2 Others

Announcements of two branch openings and two closings by Canadian banks is made in the August bank directory. The Provincial Bank of Canada opened a sub-branch at Pont Viau, Que., and The Royal Bank of Canada opened a branch at Hard Rock, Ont., on Aug. 3.

The Provincial Bank closed its sub-branch at St. Alexis de Matapedia, Que., on July 23, and Bank of Montreal closed its Sutton, Que., branch Aug. 15. Total branches of the banks in Canada at July 31 numbered 3,624, and elsewhere 152, including 25 in Newfoundland, making an aggregate of 3776 branches.

Obituary

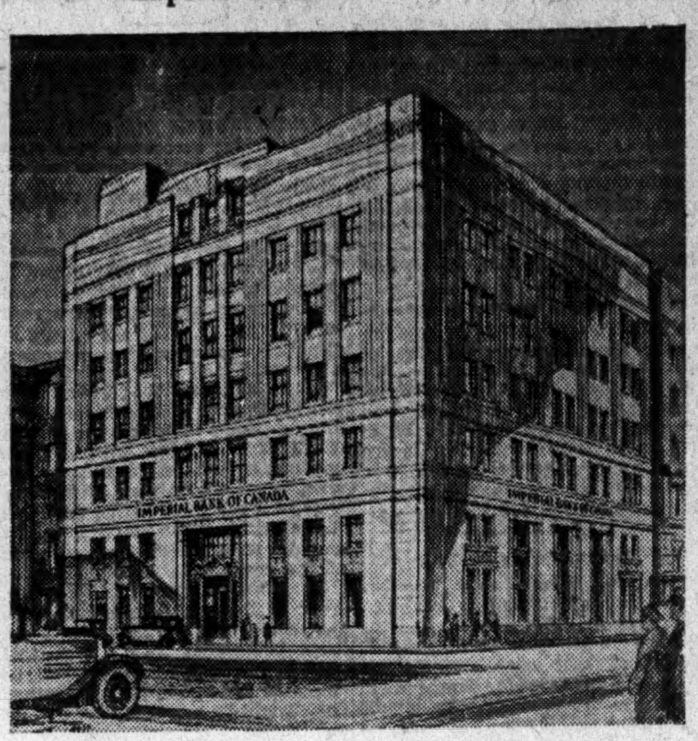
J. Elzear Marois, former manager of the St. Roch and St. Saveur, Que., branches of La Caisse d'Economie de Quebec died recently at Quebec city.

Joseph MacLaughlin, formerly manager of The Canadian Bank of Commerce at Quebec City, died recently at Montreal.

News of Bank Men

Members of the Board of Trade of Lacombe, Alta., recently gave a luncheon for C. A. Sneath, manager of The Royal Bank of Canada, who has been transferred to Cranbrook, B.C. C. D. Marble, Mr. Sneath's successor, spoke, stating he had regretted leaving Montreal but was so impressed with the Lacombe district that he is well pleased with his new post.

Imperial Bank's New Head Office



New head office building to be constructed by the Imperial Bank of Canada at a cost of slightly less than $1,000,000 is pictured above. The view shows the building as it will appear looking toward the main entrance on King Street, Toronto. The Bay Street side of the building is at the right in the illustration.

NO DECLARATION DOUGLAS SYSTEM BY ALTA. FARMERS

U.F.A. Conference Instead Asks Social Control of Finance

Members of the United Farmers of Alberta at their recent Edmonton conference made no declaration regarding the Douglas system of social credit. Instead, after a long discussion, a resolution was passed stating that social control of finance was the first step necessary to improve existing economic conditions. The conference also advocated the appointment of a competent body made by the state to work out details necessary for the application of monetary policies.

Move Goods

Several speakers contended that sufficient financial credit to distribute goods and services which might be produced and which people desire or need should be available at all times. It was further contended that while there might be an abundance of goods, these were not available to consumers. To remedy such a condition should be the object of any monetary policy, it was stated.

The Douglas plan was outlined by William Eberhart, of Calgary, who it is understood has won a considerable following in the province and intends to nominate social credit candidates in the next political election.

The resolution adopted by the U.F.A. conference with regard to monetary reform is as follows:

"In view of the unquestioned importance of social control of finance as the first step to be taken toward the achievement of an economic condition under which the abundance of goods resulting from our producing system shall be made available to the consumers, this conference composed of the U.F.A. and U.F.W.A. executives and boards and the elected U.F.A. representatives of the Alberta legislature and Dominion House of Commons hereby reaffirm and declare our adherence to the financial policy already enunciated by the U.F.A. annual conventions at various times."

Weekly Bank Clearings

	Aug. 23 1934 $	Change year ago %	Aug. 16 1934 $
Halifax	1,866,752	+3.1	1,992,948
Saint John	1,839,163	+9.6	1,683,536
Moncton	602,219	+8.3	574,868
Sherbrooke	461,669	—15.5	491,108
Quebec	3,524,904	+7.3	3,458,682
Montreal	76,905,671	+13.8	75,391,084
Ottawa	4,087,988	+19.8	3,942,237
Kingston	464,765	+1.0	532,638
Peterborough	524,758	+1.9	540,372
Toronto	95,784,268	+22.9	95,346,113
Hamilton	3,133,241	+5.9	3,117,789
Kitchener	837,989	+10.7	1,035,195
Brantford	635,267	+5.0	727,355
London	2,246,820	—3.6	2,108,867
Chatham	340,450	+2.0	419,286
Windsor	1,708,714	—3.1	1,941,666
Sarnia	402,535	+21.7	356,382
Sudbury	676,557	+28.4	817,334
Fort William	760,460	+36.9	716,364
Winnipeg	45,762,792	—23.2	77,713,166
Brandon	242,277	—6.0	267,455
Regina	2,821,632	+7.6	2,825,630
Moose Jaw	399,288	—57.0	400,130
Saskatoon	1,186,283	+16.1	1,117,275
Pr. Albert	250,360	+3.7	256,417
Edmonton	3,500,357	+16.3	3,189,992
Calgary	4,689,238	+6.8	4,984,413
Medicine Hat	215,495	+0.8	194,828
Lethbridge	401,530	+30.9	360,147
N. W'minster	408,843	+1.8	496,836
Vancouver	12,936,513	+2.6	14,669,056
Victoria	1,243,999	—3.5	1,250,748

Province of Ontario

The new issue of Province of Ontario 2½% Debentures due August 30th, 1935 to 1939 provides investors with a very high grade short term security. These Debentures are noncallable and are payable in principal cities throughout Canada.

Demand for this type of security has been strong and accompanies the trend toward lower interest rates in world financial markets.

Price, and interest, to yield 2.60% to 2.95%

Descriptive circular gladly forwarded upon request.

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Utilities and Transportation

CENTRAL POWER STATION OUTPUT ABOVE LAST YEAR

July Generation Registers Seasonal Drop — Trend Still Upward

From Our Own Correspondent

MONTREAL. — Central electric stations in Canada recorded a seasonal decline in energy production last July, but compared with returns for the same month last year, there was a moderately substantial increase.

Returns compiled by the Federal Bureau of Statistics indicate an output last July of 1,621,314,000 kw.h., for a daily average of 52,300,000 kw.h. This compares with 1,708,632,000 kw.h., for a daily average of 56,954,000 kw.h. in the previous month, and with 1,442,657,000 kw.h. and a daily average of 46,537,000 kw.h. in July, 1933.

All Areas Gain

In the breakdown of returns it is noted that central electric stations increased outputs for July, 1934, as compared with the same month last year are reported by central electric stations in all five economic areas. The gain in Quebec was particularly noteworthy.

Following are comparative figures on the July, 1934, and July, 1933, outputs of energy generated by waterpower:

(Thousands of Kilowatt Hours)

	July 1934	1933
Maritimes	56,226	53,130
Quebec	904,257	818,059
Ontario	434,224	374,262
Prairies	81,788	81,191
B. C.	118,233	93,210
Total	1,594,728	1,419,853

Fuel Stations Active

Fuel stations also experienced better results last July, output being appreciably higher than the same month last year, as is shown in the following table:

(Thousands of Kilowatt Hours)

	July 1934	1933
Prairies	12,474	12,518
Other	14,112	10,286
Total	26,586	22,804

Consumption Growing

Consumption of electricity in Canada last July totalled 1,515,465,000 kw.h. This compares with 1,594,991,000 kw.h. in June, 1934, and 1,323,464,000 kw.h. in July, 1933.

As in the case of production all areas reported increased demand, Quebec again showing the largest gain. Details of consumption by areas follow:

(Thousands of Kilowatt Hours)

	July 1934	1933
Maritimes	69,126	62,497
Quebec	694,293	604,186
Ontario	539,509	469,858
Prairies	95,547	94,825
B. C.	116,990	92,098
Total	1,515,465	1,323,464

Electric Boilers Use Large Amount of Energy

From Our Own Correspondent

MONTREAL. — Electric energy consumption by electric boilers fell off rather sharply during last July, but was still well ahead of the figure reported for July, 1933. The Federal Government reports deliveries to electric boilers in July, 1934, as totalling 342,658,000 kw.h., as against 418,850,000 kw.h. in June, 1934, and 266,830,000 kw.h. in July, 1933.

Distribution by the different areas for July, 1934 and 1933, follows:

(Thousands of Kilowatt Hours)

	July 1934	1933
Maritimes	7,152	8,5.9
Quebec	280,670	223,257
Ontario	51,581	32,865
Manitoba	3,114	2,049
B. C.	141	140
Total	342,658	266,830

Railway Earnings

Canadian National Railways

July:	1934 $	1933 $	Increase $
Oper. rev.	13,993,275	13,282,596	710,679
Oper. exp.‡	13,304,830	12,462,130	842,700
Net rev.	688,445	820,466	†132,021
Seven Months:			
Oper. rev.	93,490,022	80,757,467	12,732,555
Oper. exp.‡	88,423,036	82,915,982	5,507,053
Net rev.	5,066,986	*2,158,515	7,225,502

†Decrease. *Deficit.
‡Includes pensions.

July—	1934 $	1933 $	Increase $
Gross earn.	10,716,853	10,142,427	574,426
Expenses*	9,205,371	8,774,047	431,324
Net earn.	1,511,481	1,368,380	143,101
Seven Months—			
Gross earn.	67,927,533	60,865,922	7,061,611
Net earn.	9,565,894	6,229,521	3,336,373

Canada Northern Profits for July On Larger Basis

From Our Own Correspondent

MONTREAL. — Electricity generated and gross earnings of Canada Northern Power Corp., a subsidiary of Power Corp. of Canada, during last July were substantially ahead of the same month last year.

Gross income of the company in July, 1934, amounted to $341,408, an increase of $41,513 over the same month in 1933. Operating expenses recorded an advance of $28,592, leaving net income at $221,323 compared with $208,402 in July, 1933.

Cumulative returns for the first seven months this year reflect the improvement in the company's operations, with gross income at $2,343,358 as against $256,187 in the same period last year. After providing for operating expenses, net income equalled $1,563,625. This compares with $1,448,127 up to the end of July, 1933.

Power Figures Higher

Power output for July amounted to 44,349,956 kw.h., compared with 38,603,560 kw.h. for July of last year. For the seven months period, power output totalled 299,066,656 kw.h., an increase of 29,210,776 kw.h. over the output for the corresponding period of 1933.

During last July 92 new customers were added to the company's system, bringing the total to 13,853 as against 12,870 at the end of July last year.

NATIONAL SYSTEM OPERATING COSTS CUT DOWN GAINS

Net Income on Better Basis During Past Seven Months

From Our Own Correspondent

MONTREAL—Increase in operating expenses offset the gain in gross earnings of the Canadian National Railways for last July.

An interim statement on income issued by the company shows that during July 1934 gross earnings totalled $13,993,275, a gain of $710,679 over the corresponding month last year. An increase of $842,700 in operating expenses, however, reduced net income to $688,445 compared with $820,466 for July 1933.

$7,000,000 Betterment

Cumulative returns for the first seven months of the current year show that the Canadian National Railway had an operating revenue of $93,490,022. This was $12,732,555 more than in the same period last year. Operating expenses, including pensions, advanced from $82,915,982 to $88,425,036, leaving a net income from operations of $5,066,986 this year, as against a deficit of $2,158,515 in 1933, an improvement this year of over $7,000,000.

Prospects of a heavy movement of grain this fall do not appear overly bright at this time. Drought and adverse weather affected crop yields. The volume of grain to be moved adjacent to the C. N. R. tracks, however, is likely to be substantially better than adjacent to the C. P. R. tracks, where, in certain sections, crop conditions have been particularly unfavorable.

Montreal Tram Engineers Favor Trackless Trolley

From Our Own Correspondent

MONTREAL—Following an investigation of operations in England and on the Continent, engineers of the Montreal Tramways Co. are favorably impressed by the trackless trolley.

Both the Montreal Tramways Commission and the company have been investigating various schemes to take care of the increasing transportation requirements of the city of Montreal, and adjacent territory. A few weeks ago two engineers of the company went to the Old Country to investigate at first hand the operations of the trackless trolley. According to Arthur Duperron, chief engineer, the trackless trolley system is yielding highly satisfactory results in England, and also in the United States and France, where it had been in use for some time.

No decision will be reached by the Montreal Tramway authorities as to the adoption of the trackless trolley until such time as the report of the two engineers has been gone into thoroughly.

INTERNAT. HYDRO SYSTEM REVENUE MOVES FORWARD

Increasing Costs Tend to Offset Increase in Earnings

From Our Own Correspondent

MONTREAL. — Operating revenues of International Hydro-Electric System, controlled by International Paper & Power Co. for both the second quarter and the first six months of 1934 are in excess of the corresponding figures last year.

Higher operating costs under the N.R.A. Code agreement is apparent from examination of the income statement for the second quarter of 1934 in comparison with the same period in 1933. The amount of net revenue available for interest and other charges, therefore, is somewhat smaller, so that the balance after all charges, including dividends on International Hydro-Electric System's preferred stock, amounted to $131,218, as against $174,799 a year ago.

Make Better Showing

Cumulative returns for the twelve months ended June 30, 1934, show a minor increase in gross and net revenue as compared with the preceding twelve months. The decline in interest charges is offset by an increase in other directions, but the balance after all charges, amounting to $1,999,600, is somewhat greater than for the preceding year.

Particulars of the consolidated statement follow:

Quarter Ended June 30:	1934 $	1933 $
Total revenue, inc. other income	15,423,458	14,847,208
Net rev. before int., deprec., etc.	8,337,246	8,410,197
Int.—Subsidiaries	3,309,927	3,353,208
Int.—I.H.E.S.	434,290	473,876
Depreciation	1,216,135	1,189,247
Amort. of disc., income tax, sub. divs., etc.	3,122,837	3,096,228
Bal. for dividends	254,057	297,638
Divs. on I.H.E.S. pref. stock	122,839	122,829
Balance	131,218	174,799
Twelve Months Ended June 30:	**1934 $**	**1933 $**
Total rev., inc. other income	63,571,490	61,351,152
Net rev. before int., deprec., etc.	35,224,518	35,092,359
Int.—Subsidiaries	13,300,808	13,745,419
Int.—I.H.E.S.	1,811,659	1,914,99[illegible]
Depreciation	5,115,810	5,001,610
Amort. of disc., income tax, sub. divs., etc.	12,505,291	12,295,577
Bal. for dividends	2,490,952	2,134,762
Divs. on I.H.E.S. pref. stock	491,352	487,530
Balance	1,999,600	1,647,23[illegible]

Reduce Floating Debt

In commenting upon returns to International Hydro-Electric System, Archibald R. Graustein, president, had the following to say:

"Consolidated net loss during the second quarter this year was $1,062,581 as compared with loss of $1,535,417 for the second quarter of 1933. Those losses are after provision for depreciation in the amount of $2,532,787 this year and $2,107,203 last year.

"Tonnage deliveries of pulp and paper during 1934 continued to run ahead of corresponding months in 1933 through the month of May. Deliveries in June, 1934, were 10 per cent below those of June, 1933, but 30 per cent ahead of June, 1932.

"Gross revenue from sale of power during the first half of 1934 showed an increase over 1933 but this was largely offset by higher costs and increased taxes although current figures do not yet reflect the full burden imposed on power subsidiaries by recent tax legislation.

"At June 30, 1934, consolidated notes payable amounted to $15,056,413 as compared with $18,552,262 at the year end."

Wabana Ore Shipments to England on the Tapis

From Our Own Correspondent

MONTREAL. — Shipment of Wabana iron ore by Dominion Steel and Coal Corp. to the Ford Motor Works at Dagenham, Eng., are expected to be commenced before long under the terms of a contract entered into between the two organizations some time ago.

When it was decided to establish the Ford plant at Dagenham, arrangements were made for a supply of raw materials, including Wabana iron ore. For various reasons deliveries were not taken. Negotiations have been conducted over the past several months with a view to starting regular shipments. Progress has been made in that direction and initial shipments are expected to start before long.

I. P. AND P. LOSS ON SMALLER SCALE IN CURRENT PERIOD

Cash Income Sufficient to Cover Outgo Charges

From Our Own Correspondent

MONTREAL. — A moderate increase in gross revenue, higher expenses, but a decline in net loss, is reported by International Paper & Power Co. for the second quarter and first half of 1934 in comparison with the corresponding periods of 1933.

During the quarter ended June 30, 1934, International Paper and Power had a gross revenue of $35,660,791, or approximately $4,000,000 more than for the same three months a year ago. Net revenue was also higher, but an increase in depreciation and depletion allowance was the principal reason for the company's showing a net loss during the period of $1,062,581, as against $1,535,417 in 1933.

Reduce Net Loss

For the first half of 1934 International Paper & Power had a gross revenue of $71,590,414, a gain of around $10,000,000 over that reported for the corresponding period of 1933. Net revenue was sufficient to cover interest and other cash outgo charges, but a larger allowance for depreciation and depletion left a deficit of $2,043,556. This compares with a deficit of $3,774,490 for the first half of 1933.

Comparative consolidated statements are as follows:

Quarter Ended June 30:	1934 $	1933 $
Gross revenue	35,660,791	31,652,682
Net revenue, inc. other income	10,705,040	9,850,224
Less: *Interest, etc.	9,058,328	9,089,421
Deprec. and depl.	2,709,293	2,296,220
Net loss	1,062,581	1,535,417
Six Months Ended June 30:	**1934 $**	**1933 $**
Gross revenue	71,590,440	61,684,573
Net revenue, inc. other income	21,701,871	19,267,882
Less: *Interest, etc.	18,250,363	18,380,956
Deprec. and depl.	5,495,064	4,661,416
Net loss	2,043,556	3,774,490

*Interest and discount on funded debt, other interest, income taxes, subsidiary dividends and amounts applicable to minority stocks of subsidiaries.

Expenses Are Higher

In his remarks to the shareholders, Archibald R. Graustein, president, says:

"Total operating revenues for both the second quarter and the first six months of this year are in excess of the corresponding figures last year. In June, 1934, demand for industrial power in New England was below the abnormally high level of June last year, resulting in a decline of 9.4 per cent in New England Power Association's electric output. Otherwise, however, revenues from industrial power have held up well and sales to domestic and commercial consumers are consistently ahead of last year.

"The improvement in operating revenues has, however, been offset by increased expenses and higher taxes. As the full effect of recent tax legislation is not yet apparent, net earnings for the balance of the current year will reflect a decline from the corresponding period of 1933 unless a substantial increase develops in industrial power sales.

"The operating properties have had no special problems in connection with water conditions this spring and summer. Despite somewhat less than normal rainfall this year on the New England properties, water storage at June 30, 1934, was 40 per cent above June 30, 1933. On the Gatineau properties in Canada rainfall during June and July was slightly better than average."

Public Utility Earnings

Canada Northern Power

July—	1934 $	1933 $	Increase $
Gross	341,408	299,895	41,513
Oper. exp.	120,805	91,493	28,592
Net earn.	221,323	208,402	12,921
Seven Months end. July 31—			
Gross	2,343,358	2,087,171	256,187
Oper. exp.	779,833	639,044	140,689
Net earn.	1,563,625	1,448,127	115,498

Winnipeg Electric Co.

July:	1934 $	1933 $	Incr. $
Gross earn.	384,256	368,982	15,274
Op. exp. (incl. deprec.)	311,057	310,672	384
Net op. earn.	73,199	58,309	14,889
Fixed chgs.	110,886	111,612	*726
Net income	‡37,687	‡53,302	15,61
Seven months:			
Gross earn.	3,052,462	3,036,272	16,19
Oper. exp. (incl. deprec.)	2,236,676	2,268,009	*31,3
Net op. earn.	815,786	768,263	47,52
Fixed chgs.	775,570	791,816	*16,04
Net income	40,216	‡23,353	63,56

*Decrease. ‡Deficit.

Southern Canada Power

July:	1934 $	1933 $	Incr. $
Gross	170,227	164,141	6,08
Oper. exp.	72,385	63,572	8,81
Net	97,842	100,569	*2,7
Ten months:			
Gross	1,815,535	1,753,724	61,81
Oper. exp.	658,535	626,416	32,11
Net	1,157,000	1,127,308	29,69

*Decrease.

Foreign Exchange Markets

PRONOUNCED weakness in sterling developed in the week ended Aug. 27. This was attributed to withdrawal of the British equalization fund from the market. The American dollar failed to rally materially because of persistence of rumors that devaluation of the currency to 50 cents, gold, is intended.

Some weakness for sterling has been anticipated for many weeks, as indicated in this column. Despite a feeling that the pound has been too high, however, feeling is now growing that mistrust of the American dollar has become sufficiently pronounced to offset other influences. Strength of Canadian bond prices in the face of a high premium on Canadian funds at New York is interpreted to indicate that Americans are not anxious to convert holdings of Canadian securities into American investments.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Aug. 21	Aug. 22	Aug. 23	Aug. 24	Aug. 25	Aug. 27
U. S. dollar, High	.5906	.97½	.97 1/16	.96	.96⅛	.97 1/16	.97 1/16
Low	.5906	.97 1/16	.96 15/16	.95⅞	.95 15/16	.97⅛	.97 1/16
1933 High	1.000	1.05⅞	1.06 1/16	1.06	1.05 15/16	1.05¼	1.04¾
Low	1.000	1.05¾	1.05⅞	1.05 15/16	1.05½	1.04 15/16	1.04⅝
U. K. pound	4.8665	4.95½	4.94¼	4.93⅜	4.92½	4.92½	4.92⅝
Argentina	.9648	.2663	.2671	.2674	.2673	.2663	.2707
Australia	4.8665	3.9420	3.9300	3.9198	3.9189	3.9180	3.9131
Austria	.1407	.1865	.1862	.1865	.1871	.1871	.1870
Belgium	.1392	.2319	.2312	.2310	.2318	.2317	.2312
Brazil	.1963	.0662	.0649½	.0658¾	.0660¾	.0660¾	.0661
Czechoslovakia	.0296	.0410	.0409½	.0409	.0410	.0410	.0409¼
Denmark	.2680	.2215	.2209	.2203	.2203	.2200	.2200
France	.0392	.0650	.0649	.0648½	.0650½	.0650½	.0648¾
Germany	.2382	.3912	.3892	.3856	.3863	.3868	.3842
Greece	.013	.0093¾	.0093½	.0094	.0093¾	.0093¾	.0093⅝
Holland	.4020	.6684	.6667	.6665	.6687	.6687	.6664
Hungary	.1749	.2926	.2928	.2926	.2935	.2935	.2936
India	.3650	.3778	.3772	.3768	.3766	.3766	.3738
Italy	.0526	.0846½	.0845½	.0844¼	.0847	.0847¼	.0845
Japan	.4985	.2970	.2957	.2955	.2959	.2957	.2955
Jugoslavia	.1929	.0226	.0226½	.0226	.0226½	.0226½	.0226
New Zealand	4.8665	3.9577	3.9457	3.9355	3.9346	3.9336	3.9288
Norway	.2680	.2494	.2484	.2478	.2478	.2475	.2474
Poland	.1122	.1870	.1869	.1870	.1876	.1876	.1871
South Africa	4.8666	4.9454	4.9304	4.9176	4.9164	4.9152	4.9091
Spain	.1929	.1348	.1346	.1345	.1349	.1349	.1345
Sweden	.2680	.2559	.2549	.2543	.2542	.2541	.2539
Switzerland	.1930	.3219	.3212	.3209	.3221	.3222	.3213
Hong Kong	.5422	.3812	.3811	.3831	.3810	.3815	.3816

Port Royal Pulp Secures Supply of Pulpwood

From Our Own Correspondent

MONTREAL. — Port Royal Pulp and Paper Co., of Fairville, N.B., formerly the Nashwakk Pulp and Paper Co., reports a satisfactory current volume of business, with fairly substantial shipments of pulp to Canadian and American points.

At present the company is engaged in getting down its winter supply of pulpwood. The company expects to bring about 35,000 cords of wood downstream by the middle of next November. The wood is from the upper reaches of the St. John River, from the Grand Falls district, most of it being New Brunswick wood and some from Maine.

Metal Prices

New York—Aug. 28—
Copper: Electrolytic, spot and future, 9c.
Silver: 49⅛c.
London—Aug. 28—
(Long Ton)—
Copper: Electrolytic spot, £31; future, £31 15s. Standard spot, £28; future, £28 7s 6d.
Tin: Spot, £227 2s 6d; future, £226 17s 6d.
Lead: Spot, £10 12s 6d; future, £10 12s 6d.
Zinc: Spot, £13 15s; future, £13 15s.
Silver: 21 1/16d. per ounce.
Gold: 139s 1½d.
Canada—Aug. 28—
Gold: $34.17.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Beaupré, Que. Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. Iroquois Falls, Ont.
Espanola, Ont. Smooth Rock Falls, Ont.
Pine Falls, Man. Fort William, Ont.
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

TRADE MARK
Canadian Industrial Alcohol
Company, Limited
manufacturers of
Maple Leaf Industrial Alcohol . Ethyl Alcohol Cologne Spirits
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Wood Alcohol, Acetate of Lime, Charcoal
Wood Tars, Wood Oils, and other Chemicals
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News of Investment Markets

ONTARIO, QUEBEC SELL BIG ISSUES AT GOOD PRICES

Bond Market Slightly Softer With Trading Inactive

Sales of large loans by Ontario and Quebec at the best prices on record featured Canadian bond dealings in the week ended Aug. 28. Bond trading was inactive in the week with a slight tendency to recession of prices in evidence.

Quebec sold $10,000,000 of five-year 3's at 99.77, a cost basis of 3.05 per cent. Ontario sold $37,500,000 of one to five-year 2½'s at an average cost of 2.97 per cent. The interest rate obtained on the Quebec loan is considered the more impressive because the bonds run for a full five-year term. The Ontario loan has an average term of less than 2½ years. The rates on both loans are the lowest ever obtained by the provinces in this country, and are significant of the sustained advance that the gilt-edged bond market has enjoyed this year.

The Quebec bonds were sold at 100¼ within two hours of opening of the books, and immediately went to a fractional premium. The Ontario issue had a good early demand at prices yielding from 2.60 on the one-year maturity to 2.95 per cent on five-year bonds.

Ontario Deal Criticized

The Quebec issue was sold by invitation of tenders, while the Ontario loan was negotiated privately. The latter gave rise to some criticism. McLeod, Young, Weir & Co., Gouinlock & Co. and Fry, Mills, Spence & Co., Toronto bond firms, issued a statement for publication stating:

"We are amazed to learn from the morning press that the Ontario government has sold, or given an option on $37½ million province of Ontario bonds without asking for tenders. We believe that at this time the province could have obtained a more favorable rate had competitive bids been called for." It is understood that these three firms and a syndicate headed by the Bank of Montreal were eager to bid for the issue, but did not get the opportunity.

Slight Recessions

Gilt-edged bonds have receded slightly from the peak level of the year attained on Aug. 21 But they are still close to the high point, as shown below:

Average Yield and Price on Seven High Grade Canadian Bonds

	Yield %	Price $		Yield %	Price $
Aug. 28	3.751	110.97	Aug. 22	3.747	111.05
Aug. 27	3.751	110.97	Aug. 21	3.736	111.10
Aug. 25	3.751	110.97	Aug. 14	3.770	110.80
Aug. 24	3.760	110.93	July 31	3.811	110.39
Aug. 23	3.757	110.96	July 16	3.841	110.14

Western provincial bonds lost ground in the last week. Losses ranged up to one point. Corporation bonds were also slightly softer, as shown in comparative quotations on page 13.

Quebec Sells Bonds on Low-cost Basis

From Our Own Correspondent

MONTREAL—Province of Quebec's 5 year 3 per cent bonds met with ready reception in the market when offered by a syndicate headed by the Bank of Montreal and the Banque Canadienne Nationale.

The issue, which was sold for the purpose of reimbursing the consolidated revenue fund, was sold at what is regarded as a record low price. The price paid by the syndicate for the bonds was 99.77, representing a cost to the province of 3.05 per cent. The bonds were offered to the public at 100¼ to yield 2.95 per cent.

Les Escoumains to Pay Interest Due August 1

Les Escoumains, Que., has been authorized by the Quebec Municipal Commission to pay coupons due Aug. 1, 1934, on bonds issued under by-laws 40 and 42.

Creditors holding past due bonds on which interest has not been paid are asked to register with Antonio Bouliamne, Les Escoumains, so that cheques covering interest may be mailed.

Bond Tenders

Sept. 10, Kirkland Lake—$50,000, 5 per cent R. C. separate school bonds due Nov. 1, 1935 to 1954, guaranteed by Province of Ontario. Albert Serre, Kirkland Lake.

3 o'clock, Sept. 6, New Brunswick—$1,100,000, 4 per cent debentures, dated Sept. 1, 1934, due Sept. 1, 1954. Antoine J. Leger, sec.-treas.

Bond Redemptions

Bond Issues:	Rate	Due	Redeem.	Price
Calgary Brew.	§5%	1942	Nov. 1	105
Amer. Sales Book Co.	*5%	1939	Oct. 1	103
Dom. Canners	‡5%	1940	Oct. 1	110
Investors Equity Corp. series A.	5½%	1949	Oct. 1	104
Prov. Light, Heat	†5%	40-yr.	Sept. 1	105
Northern Electric.	5%	1939	Dec. 1	105

*$250,000 for retirement.
‡$85,000 for sinking fund.
§Purchase of bonds for sinking fund.
†$50,000.

Canadian Western Lumber
Statement of Lumber Manufactured, Sales and Price Realized

June:	1933 Feet	1934 Feet	Decrease Feet
Lumber mftd.	10,718,234	10,555,000	163,234
Lumber sold.	13,875,850	8,919,100	4,956,750
Price realized	$169,032	$164,797	$4,235
Aggre. mftd.*	57,352,150	54,016,889	3,335,261
Aggre. sold*	57,819,032	53,492,754	4,326,278
Price realized*	$679,997	$912,379	†$232,382

†Increase.
*From Jan. 1 to end of June.

Investment Notes

Significant Investors' Index Numbers
1926 = 100

No. of Securities:	Iron and steel 17	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied products 18	Beverages 8	Total industrials 87	Total utilities 20	Total co's 113
1929-33:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low	36.8	1.4	34.9	78.3	24.0	66.5	23.7	44.0	30.5	38.6
Monthly Figures, 1934:										
January	98.1	11.4	74.9	147.0	66.6	122.6	163.6	116.6	53.5	83.8
February	114.6	13.6	77.1	153.7	73.3	128.2	148.5	123.8	58.0	88.7
March	113.6	13.2	77.1	152.2	76.3	129.4	141.8	128.5	58.0	90.3
April	114.9	13.2	75.2	159.4	76.8	134.3	138.0	133.0	58.1	93.4
May	106.9	13.8	74.3	159.0	79.1	129.9	113.8	128.0	56.7	91.1
June	104.7	12.5	74.1	161.9	77.7	128.1	113.5	126.1	54.5	89.8
July	97.8	10.5	72.4	153.8	72.7	123.3	86.7	116.6	50.6	83.1
Weekly Figures, 1934:										
Aug. 2	94.3	9.2	69.7	146.7	69.4	125.6	94.7	113.4	49.1	84.7
Aug. 9	99.5	9.4	69.1	150.0	71.3	128.9	103.2	117.8	50.5	87.6
Aug. 16	100.2	9.5	74.4	159.1	72.9	130.9	102.2	121.8	52.2	91.3
Aug. 23	101.3	9.3	74.2	160.2	73.1	130.6	107.6	123.0	52.5	92.5

*High and low of years from 1929 to 1933 inclusive are based on weekly figures.
Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Aug. 28 close	97.79	128.80	90.13
Aug. 27 close	96.71	129.52	90.50
Week ago	97.75	130.79	90.78
Month ago	92.25	126.12	88.50

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Aug. 28 close	64.2	55.2	58.4
Aug. 27 close	64.4	56.2	58.9
Week ago	64.3	55.9	58.7
Month ago	61.6	51.9	55.1

Course of Bond Prices

GILT-EDGED Canadian bonds have gone so high that many investors are strongly inclined to sell and take their profits. The Dominion Government, however, is firmly behind the upward move. Ottawa is following monetary policies designed to continue to lift Canadian bonds, and this may mean still higher prices.

There is now less evidence of selling pressure from American holders of Canadian bonds, despite the price attractions and the premium on the Canadian dollar. American money is remaining in Canadian bonds partly on account of fears of inflation in the United States. And British funds like Canadian securities because yields here are higher than those in Great Britain.

The difficulty for Canadian holders of prime securities is that the alternative to holding gilt-edged bonds is to invest in something seemingly less secure. It requires expert investment to successfully manage funds in corporation securities. And apparently no skill avails anything in the case of a bad investment in less highly regarded governmental securities.

* * *

Bargains in Bonds

INVESTORS who are looking for bargains in bonds frequently come to grief. Nevertheless, there have been some juicy plums picked among corporation bonds in the last six months. As long as an exorbitant yield is not sought by the investor, financial authorities feel that there are still a number of bargains in Canadian corporation bond lists.

One of the most striking weaknesses of Canadian bondholders is constant trading at small profits under the guidance of pseudo-experts. The procedure usually consists of trading the original bond for one selling at slightly lower price. Persistence in this policy often leaves the investor with a very bad security. In the meantime the profits he thought he was making turn out to have been realizations of principal.

* * *

Russian Oil

FOR the time being, at least, indications do not point to any immediate revival of the Russian oil bogey. Statistics from the land of the Soviets have never seemed any too reliable at this distance, but the latest figures are more encouraging to this continent, already in the throes of cut-throat gasoline and oil competition. Production in Russia for the current year is estimated at 22,500,000 tons and while this figure is slightly higher than for that of 1933 it is only about the same as for that actually reported in 1931.

Reports from the old oil fields in Russia would lead one to believe that the wells are following a natural course with production falling off rather sharply. This loss has been partly made up by an increased output from the new fields in the Aznepht region. Moreover there has been a big improvement in the number of new drillings all over the country.

One significant factor that seems to have escaped the average observer is the steady increase in the domestic consumption of oil in Russia. This rose sharply from 10,000,000 tons in 1930 to well over 14,000,000 tons for 1932 while for 1934 it is estimated that the home market will absorb 80 per cent of the production. Whether this is going into automobiles or is being stored in preparation for war in the Far East is not so apparent as the fact that with diminishing returns from the older fields and nothing very definite reported from new borings yet, it would seem that a flood of Russian oil on world markets may be discounted for some time to come.

NEW DEAL POLICY ON BOGUS STOCKS CUTS BIG LOSSES

Securities Act Reviewed For First Year of Operation

The U.S. Securities Act, which has completed its first year of operation, is being credited with having saved the investing public from enough bogus gold mining stocks to justify its existence several times over.

This fact, together with other interesting disclosures made public on the operations of the famous "Truth-in-Securities" Act, brings to light certain features which may find a counterpart when Canada's recently amended Dominion Companies Act comes into operation in October.

With both the American and Canadian Act modelled on the original British Companies Act, which has long been noted for the protection it affords the English investor, it is expected that substantial savings will accrue to investors on this continent. Company officials in Canada, however, do not expect as radical a change in the security marketing organization of the country as that being experienced across the border. Canada did not go as high as the United States before the crash but she also has not been forced by drastic remedies to recover from such a low point as that experienced by her neighbor.

Many Unique Facts

From a mass of propaganda and arguments which has trailed the American bill since its enactment in the spring of 1933, and its recent modification into what is known as the Securities Exchange Act, there stands out, in spotlight fashion, a number of unique facts.

First, securities issued throughout the year reached an extremely low figure. This is explained on the basis of the futility of floating any sizable issue of securities during these months and postponements due to the war which interested parties were wagering with the administration over amendments to the original Act.

Second, the campaign of Wall Street interests against the Act has practically ceased. Confidence has taken the place of fear and delayed registration statements are now being filed. The appointment of the Securities Exchange Commission, and its publication of trading rules for the nation's financial markets, has convinced opposing interests that the administration is determined to exert control over the exchanges, obviously of a permanent nature.

Third, the liquor and mining industries, in which new capital was needed, were not seriously hindered in securing the same by the provisions of the Act, even before the amendments were made.

Fourth, the first and prime purpose of the Act, to prevent the sale of worthless securities, has been achieved to an unusual degree.

Gold Mining on Spot

Especially in the gold mining field, which has stolen the popularity recently enjoyed by the much ballyhooed liquor industry, the Commission has issued most of its vetoes. In one particular case, records show that a statement was filed stating that $2,550,000 had been paid in cash and securities for mining properties. On closer investigation it was found that this rather substantial sum actually should have read $10,000. Cases of this kind have proved to be by no means uncommon, and while the Commission does not naturally guarantee a mining investment, or any other, it claims to have remedied many serious evils by compelling promoters to give proof of real properties and to present true and unexaggerated statements in prospectuses.

No Comparable Figures

Statistics for the first year of the Act must be considered solely on their own account as there exist no comparable figures on which to make definite comparisons. But even on this basis, which has received criticism from some quarters, figures disclosed show a number of the far-reaching changes which have come over American finance as a result of the depression and the New Deal.

A total of 1,045 registration statements were filed with the Federal Trade Commission at the first of August and of this number 750 were passed and their securities sold. On the other hand, 200 statements failed to become effective, in one way or another, and were withdrawn or stopped by the commission. The commission also issued 42 "stop" orders on the basis of information obtained after the registration statement had become effective, although it later lifted nine of these orders. Other refractions accounted for the balance of the issues.

Full details on securities issued for the first full year of operation which began on July 27, 1933, are not yet available, but a fairly complete analysis has been published for the fiscal year ended June 30, 1934, covering eleven months. During this period, 713 statements became effective and securities proposed to be offered had a value of $962,856,438.

For purposes of reorganization, there were 216 effective statements, totalling $128,543,180.

For industrial and general purposes, there were 311 issues, amounting to $225,285,592.

For investment and financial companies, there were 186 issues, totalling $609,028,666.

60 Per Cent To Institutions

These figures tell their own story of the volume of capital sought for business during these months. Little was used for the expansion of industry as more than 60 per cent of the total volume was issued by institutions whose prime object was to re-invest in other enterprises. Reorganizations accounted for almost 25 per cent of the total, while only about 13 per cent was intended, primarily, for industrial and business expansion.

Of the securities registered during the second half of the fiscal year—January to June, 1934, inclusive—70.9 per cent were common stocks, 12.3 per cent were preferred, 8.4 per cent were certificates or warrants, 7.4 per cent were debentures, 0.8 per cent were mortgage bonds, and 0.2 per cent short-term notes.

In the figures for the first year of the operation of the Act there is an accurate record of the period in United States financial history in which the bitter conflict over government supervision of the securities business reached its highest peak.

With the end of the first year, the Securities Act has passed into the hands of the Securities and Exchange Commission, where it will be administered in conjunction with the Securities Exchange Act. Next year, this time, a more exact estimate will likely be possible of its value to American investors and the general public.

Yield Control To Committee M't'l. Financing

Official status has been promised to the Advisory Finance Committee by Camillien Houde, Mayor of Montreal. As a result the exhausted revenues of the city will be bolstered by the Bank of Montreal and Banque Canadienne Nationale month by month until a revenue deficit loan can be financed.

Official, written guarantees are demanded by the banks that the city will demand from the Quebec legislature powers for the committee. These will be forthcoming at the next session, it is expected, when a Montreal Bill will be proposed to raise taxes and put the Advisory Committee in full control of the finances of Canada's largest city.

Chain Store Sales Show Some Decline

Decrease Since 1930 but Voluntary Groups Go Ahead

Total sales of company-owned chain grocery and combination stores in Canada amounted to $102,940,200 in 1933 as compared with $128,291,800 in 1930 or a decrease of almost 20 per cent. The total number of stores remained about the same while one less chain company was operating in 1933 than in 1930. These figures are supplied by the Dominion Bureau of Statistics in the first comparative report dealing with chain merchandising organizations. Every organization consisting of four or more retail stores is regarded as a chain.

The decrease of 20 per cent in dollar volume, The Financial Post understands, is largely accounted for by a shrinkage since 1930 of about 15 per cent in commodity prices. Taking this fact into consideration, the physical decrease between the years 1933 and 1930, therefore, would only amount to about seven per cent. Since 1933, moreover, reports from the individual chain store organizations, indicate that a considerable portion of this loss has been regained.

Company Chain Store Statistics Compared

	1933	1932	1931	1930
No. chain grocery stores	805	780	758	749
Total sales	$36,519,600	$36,678,400	$40,051,300	$45,043,800
Combination stores	1,357	1,416	1,447	1,379
Total sales	$60,758,100	$67,006,300	$76,988,600	$74,800,000
Meat chains	186	199	213	225
Total sales	$5,662,500	$6,008,600	$7,602,500	$8,447,300

Ontario Leads

With total sales in 1933 by company chains of $54,989,500 Ontario accounted for more than half the business of the Dominion. The decrease of almost 33 per cent since 1930 in that province, however, is a good deal sharper than in Quebec which is second on the list with total sales in 1933 of $20,071,900. This was a drop of about 15 per cent from the 1930 figures. British Columbia was third with $9,367,000 in 1933 or more than double that for any of the Prairie Provinces which averaged about $4,300,000 per year. Incidentally, there was a falling off in chain sales in British Columbia of only eight per cent from 1930, but almost 20 per cent in Alberta and Manitoba and over 40 per cent in Saskatchewan.

Grocery Chains

While the total number of straight grocery chain stores in Canada increased from 749 in 1930 in 805 in 1933, sales decreased from $45,043,000 to $36,519,0000. This was a drop of almost 20 per cent. Combination chain stores, that is, where something other than groceries, usually meat and vegetables, is sold, suffered almost identical decreases in sales. There were 1,379 such stores in 1930 doing $74,800,000 of business. In 1933 there were a few less stores, 22 to be exact, and total business amounted to $60,758,000.

Voluntary Chains Grow

Voluntary stores during this four-year period grew both in numbers and purchasing power. These voluntary chains consist of independent grocery merchants who either make their stores look alike and purchase through one wholesaler or who carry on purely as independents, but buy as a group but from whatever source they like. Linked together there were 23 of such chains in 1930 involving 4,545 stores and making total purchases valued at $23,006,000 figured on a wholesale basis. The Bureau of Statistics states that it has been impossible to make an accurate estimate of sales of such establishments and so only the purchases from the wholesalers are used. In 1933 the number had grown to 27 and the number of stores increased by over a third to 6,170. Total purchases during this period increased by over 16 per cent to $26,740,000.

Voluntary Chains Grow

Year	No. of Chains	No. of Stores	Total Purchases (at wholesale prices) $	Index of purchases
1930	23	4,545	23,006,881	100.00
1931	26	5,345	24,076,795	104.65
1932	26	5,899	25,657,597	111.52
1933	27	6,170	26,740,188	116.23

In this business the wholesaler-retailer type, consisting of a group of stores more or less closely connected with a single wholesaler, had the lion's share. The number of such stores increased from 4,198 in 1930 to 5,625 in 1933 and the total purchases from $21,661,000 to $24,570,000 or an increase of over 13 per cent. The other class, those merchants who buy together but where they please, showed an increase of 61 per cent in purchases.

In the following table, compiled from sales statistics furnished by the companies, the trend of sales of leading company chains is given:

Comparative Total Sales Chain Stores

	1934	1933	1932	1931	1930
Dominion Stores	*9,756,205	19,758,368	23,042,273	25,200,150	24,118,586
(No. stores)	*(493)	(505)	(551)	(572)	......
Loblaws	§14,780,558	14,219,053	15,120,933	17,010,191	18,435,087
(No. stores)	(111)	(107)	(104)	(99)	(95)
Stop & Shop	†6,164,050	5,849,882	......	......	......
(No. stores)	(112)	(110)	......	......	......
Thrift	‡4,508,625	4,132,036	4,017,749	3,363,745	......
(No. stores)	(75)	(72)	(65)	§(54)	......

* Six months to June 30, 1934. † 12 months to Feb. 24, 1934. ‡ 12 months to March 31, 1934. § 12 months to May 31, 1934.

A glorious LABOUR DAY WEEK-END at the Manoir Richelieu

$30

Rate includes Steamship . Meals . Berth
Room with Bath and Meals at Manoir

Slip away this Saturday for a glorious Labour Day week-end at the MANOIR. You leave Montreal at 6.30 p.m. E.S.T. arriving at Murray Bay next morning. Rate includes meals and berth both ways and room with bath and meals at the hotel. You're back in Montreal 7:00 a.m. Tuesday.

Same low rate to the Saguenay

As an alternative, remain on the boat when she leaves Murray Bay for her week-end cruise up the Saguenay. Rate covers meals and berth, Montreal to Montreal. 2 days, 3 nights on board ship.

For full information, reservations, etc., apply to any tourist agent or to

CANADA STEAMSHIP LINES
715 VICTORIA SQUARE, MONTREAL — LAncaster 0231

Maple Leaf Scheme Approved by Court

Plan of reorganization for Maple Leaf Milling Co. has received court approval from Mr. Justice J. M. McEvoy at Toronto. It is now expected that the scheme will be placed in operation in September by exchange of shares.

The plan calls for payment of bond interest half in cash each Dec. 1 and half in new A shares each June 1 to 1938, retroactive from Dec. 31, 1933. Holders of present A preferred shares are to receive seven new common shares for each old share. Class B preferred shareholders are to get one new common share for each present share and present common shareholders are to get one new share for each five old shares held.

There will also be three new management shares, two of which will be controlled through the trustee for bondholders and one by bank creditors.

Bond Sales

Ontario

Province of Ontario has sold $37,500,000 of 2½ per cent bonds maturing in one to five years to a syndicate headed by Wood, Gundy & Co. on an average cost basis of 2.97 per cent. Another $10,000,000 of bonds has been sold to an undisclosed buyer.

New Issue

$37,500,000

Province of Ontario

2½% Debentures

(Non-Callable)

$10,500,000 dated August 30th, 1934, due August 30th, 1935
10,500,000 dated August 30th, 1934, due August 30th, 1936
7,500,000 dated August 30th, 1934, due August 30th, 1937
4,500,000 dated August 30th, 1934, due August 30th, 1938
4,500,000 dated August 30th, 1934, due August 30th, 1939

Principal and half-yearly interest (February 28th and August 30th) payable in lawful money of Canada at The Royal Bank of Canada or The Canadian Bank of Commerce in Toronto, Montreal, Ottawa, Winnipeg, Vancouver, Halifax or Saint John, N.B., at the holder's option. Denomination: $1,000. Debentures may be registered as to principal.

Legal Opinion: Messrs. Long & Daly.

These Debentures are direct obligations of the Province of Ontario, and are payable, principal and interest, out of the Consolidated Revenue Fund of the Province.

The proceeds of this issue will be used to retire Temporary Loans and for General Purposes.

Information regarding the financial position of the Province will be found in the official circular which is available upon request.

We offer these Debentures if, as and when issued and accepted by us and subject to the approval of Counsel.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

It is expected that Debentures in interim form will be ready for delivery about August 30th, 1934.

Prices:

1935 Maturity, 99.90 and accrued interest, to yield 2.60%
1936 Maturity, 99.61 and accrued interest, to yield 2.70%
1937 Maturity, 99.14 and accrued interest, to yield 2.80%
1938 Maturity, 98.50 and accrued interest, to yield 2.90%
1939 Maturity, 97.92 and accrued interest, to yield 2.95%

The Royal Bank of Canada
The Canadian Bank of Commerce
Wood, Gundy & Company Limited
A. E. Ames & Co. Limited
Dominion Securities Corporation Limited

The information contained in this advertisement is based upon statements on which we have relied in the purchase of these Debentures. We do not guarantee but believe the statements herein made to be true.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Sold	Sold to	Rate	Due	Amount	Price	Cost
Municipal—							
Megantic, Que.	Aug. 15	Provincial Bank	5½%	Serial	$67,500	100	5½%
Provincial—							
Quebec	Aug.	Bank of Montreal and syndicate	3%	5-yr.	$10,000,000	99.75	3.05%
Ontario	Aug.	Wood, Gundy & Co., A. E. Ames & Co., Dominion Securities, Royal Bank, Bank of Commerce	2½%	1935 1936 1937 1938 1939	10,500,000 10,500,000 7,500,000 4,500,000 4,500,000	*99.90 *99.61 *99.14 *98.50 *97.92	2.60% 2.70% 2.80% 2.90% 2.95%
Alberta	July	Wood, Gundy & Co., Dominion Securities, Imperial Bank, A. E. Ames & Co.	5%	1955	1,650,000	....	....

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date	Offered by	Rate	Class	Amount	Price	Yield
Glenora Gold Mines	Aug.	C. A. Gentiles & Co., Toole, Peet & Co., Bingham-McKay, Grant, Johnston & Co., Carlile & McCarthy, A. E. Jukes & Co.	...	Treas	300,000 shs.	50c.	....
Birrell Gold Mines	Aug.	J. E. Smith & Co., Allan & Cochrane	...	......	400,000 shs.	25c	....
Riverside Brewing Corp.	Aug.	J. P. McNair & Co.	...	Treas.	50,000 shs.	$3	....

*Offering price.

The Financial Post

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Business Manager—D. M. Gowdy

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TORONTO, SEPTEMBER 1, 1934

STEVENS'S METHODS, NOT HIS OBJECTIVES, ARE BAD

MR. STEVENS made some more comments on abuses in industry and finance the other day and then said:

"I expect I shall be pilloried for saying this."

The Financial Post has not seen any evidence that Mr. Stevens's criticisms of stock watering, sweat shops, starvation wages and unethical competition have put him in anybody's pillory. As this journal sees the trend of public and editorial comment on Mr. Stevens, the people generally are behind him in his desire to cure such sore spots in the body economic. But we also find that well-edited newspapers and reasonable-minded citizens from coast to coast deplore Mr. Stevens's way of attaining his objectives. Their chief regret is that his methods have not been as straight as his motives. Mr. Stevens wanted to reach the fire to put it out but it was not necessary for him to drive his fire truck full steam through the mud puddles, splashing innocent bystanders, and getting himself so mired that he was out of commission himself before he got to the fire.

In some quarters it is remarked that the prime minister is right behind Mr. Stevens and will make no attempt to "squelch" him. The basis of this comment is these remarks made by Mr. Bennett in Saint John:

> "I am convinced that there will be more and not less interference by governments in private business. Not to substitute governments for men who are better able to conduct business, but to regulate, control and prevent recurrence of conditions apparent to all."

The Edmonton Journal says that these remarks are in exact agreement with what Mr. Stevens has been saying.

But they are nothing of the kind. Mr. Bennett did not add to his comments a pack of slanders and he did not seek to achieve a cheap notoriety by crude and utterly unfair sensationalism.

If Mr. Bennett has a determination to clean up the bad spots in Canada's financial and industrial methods, all power to his elbow. But Mr. Stevens is not providing much of that power by his methods.

STILL PLAYING AROUND WITH RAIL PROBLEM

HON. DR. R. J. MANION, Minister of Railways and Canals, believes that the present management of the Canadian National Railways today is very efficient. He thinks the trustee board will probably find that the only certain cure for the ills of the railways is bound up in a revival of general business. In any event, he does not consider that the present is the time for the making of irrevocable decisions with respect to the railways.

Dr. Manion presents his views in an article in Canadian Magazine. The three points he makes are in direct opposition to the oft-expressed views of E. W. Beatty, chairman and president of the Canadian Pacific Railway, who favors unification of the two railway systems. They confirm that the present government has no intention of presenting or supporting any plan for amalgamation. As the followers of both Mr. King and Mr. Woodsworth have made known their opposition to amalgamation, at least under private ownership, it is clear that, for better or worse, there is going to be little searching for a striking solution of the railway problem during the next few years.

It is possible that a government in Canada could find popular support for the purchase of the Canadian Pacific Railway by the Canadian National Railways, although such a move would be viewed with horror by those sources, within and without the country, upon whom we are dependent for capital for national development. But it is much more likely that the two railways will go on much as they are today. We shall continue to fool ourselves into believing that the Canadian National Railways can pay its way, if it is given a revival of business in the country. Eventually,—maybe in five years, maybe in ten years, and maybe not for a generation—sheer financial pressure will force a major operation. This may be the adoption of Mr. Beatty's plan or it may be the adoption of some other plan, such as the sale of the Canadian National Railways to private interests or the amalgamation of the two railways as one publicly owned system.

It is too much to expect reasoned, logical judgment by the great mass of citizens on the railway issue. Dr. Manion points out that in Canada railway policies usually make a more successful appeal to the public imagination than issues of fiscal policy. They have determined more than one general election. The electorate has never yet failed to endorse a railway project put forward as an election issue. Our successive attacks of what Dr. Manion calls "transportation dementia" have simply served to pile up an enormous burden of debt almost beyond our ability to carry and to equip us with railway systems that are not only in excess of our requirements but that are not in keeping with transportation trends that are clearly discernible today.

In the meantime, there is some doubt as to whether or not the present plan of co-operative competition is working well. There has been little evidence of co-operation these last six months. The dilatory handling of even the mild recommendations of the Duff Commission merely served to entrench the anti-economy propaganda.

The Duff Commission was a grave disappointment to all thinking citizens. Whether because of the baffling nature of the problems the commissioners dealt with or because of the pronounced difference in their own pre-conceived views in the matter, they brought in recommendations that did little more than side-step the main issues.

A display of courage by the Duff Commission would have strengthened the arm of the Government in handling the problem. But that opportunity has been missed and as a result we continue to drift in railway matters. All the taxpayers can hope for is that in the process of drift the Canadian National Railways' management will show itself efficient and thrifty and that it will put up a strong resistance to politically expansive suggestions. All the investors in Canadian Pacific Railway can hope for is that the management of that line will be equally efficient and economical in operation and that it will study the current trends in transportation development so that in the future it will not be caught napping, as it has been in the past when the character of the transportation services demanded by the public was radically changed.

MONEY OR WEALTH

THE Regina Leader-Post has an editorial discussing whether or not there is as much money in the country as there ever was. The editor of that paper concludes that Canada is not as well off now as she was when production and trading were moving at a high level. He says: "There really is not the same amount of money in the country even with the inflated currency we now have."

It is not our purpose to differ with the editor of the Leader-Post. In fact we are not quite certain what he means and, therefore, can neither affirm him to be correct nor utter a protest because we deem him to be wrong. But it does seem that he is confusing two things that are often confused in the parlance of the street but that should always be distinguished by careful writers. These two things are money and wealth.

The total face value of the monetary instruments outstanding in a country is a poor index of its wealth. If it were a fair index, then post-war Germany was a rich land indeed. But we know that it was not.

Before any two people sit down and talk about money they should first of all agree upon a common definition of money. Money to some people implies wealth. Money to other people implies currency, coin, etc. These, of course, are not wealth but merely the tokens by which we measure or transfer wealth.

It is surprising, however, how many people think that money and wealth are the same thing. It is this curious notion that is back of most of the quack monetary schemes and most of the inflation arguments.

The great weakness of the inflationists' argument is that they assume by increasing the number of tokens we would increase the wealth of the country. But printing more money—in the precise sense of currency—does not give everybody more "money"—in the less accurate sense of wealth.

The quality of a nation's money is more important than the quantity of it.

And for the individual the important question is not how many dollars you have but how much you can buy with the dollars you have.

A PROFIT THAT WAS "HOOEY"

A FORMER cabinet minister, not long since deposed from office in an election swing that went against his party remarked the other day that as a young man he had high ideals of statecraft. But as he got older he found that the only thing that won elections was "hooey." We cannot find the word in the Oxford English Dictionary, but presume it either bears some relation to "hoo," which is described as "a natural exclam. used as a call to attract attention," or is a play upon the name of the Kingfish dictator of Louisiana.

The investigation into one of Ontario's investments, usually spoken of as highly profitable, brings the expression to mind.

The deficit on the Temiskaming and Northern Ontario Ry. between 1914 and 1933 was over $8,000,000, according to a government accountant. To some people this is brand new information. There is no reason why it should be. A study of the government accounts had always made it clear that the railway about paid its operating expenses or showed an operating profit but failed to earn interest on the capital invested in it. When the politicians talked about the "profit" on the T. and N. O. Railway they were merely talking "hooey."

Anyway, the T. and N. O. has cost the province that $8,000,000 and there will be further losses in the future on the $36,000,000 or more invested in it. Against these losses, the province sets off the mineral and timber and agricultural development of the northland. Possibly the taxpayers will figure that a Hollinger, a McIntyre and a Lake Shore, alone are sufficient repayment.

Strict accounting procedure would have required the road to show its deficit in its books as what it really was. Strict economics would have required it to charge rates that would have paid interest as well as operating charges. Strict economy would have demanded that the unfortunate extension to James Bay be deferred.

Today the T. and N. O. is beginning to feel the threat of automotive competition. It is no longer merely a development road but a railway serving an area that is taking on, here and there, urban characteristics.

For all its losses the line has been a better investment for the people of Ontario than most of their other public ownership enterprises. It did, at least, "build an Eldorado."

"P.R." ADVOCATES HEARD FROM

IT WAS natural that advocates of proportional representation should have utilized the Ontario and Saskatchewan elections as arguments for their system. Under "P.R." elections are conducted in such a manner that the number of members elected from each party or group is roughly proportional to the number of votes cast for candidates of that group.

If "P.R." had been used in Ontario the membership of the new legislature, instead of being predominantly Liberal, would probably have consisted of about 50 per cent Liberals, about 40 per cent Conservatives and around 10 per cent of other groups.

If it had been used in Saskatchewan, instead of there being a legislature entirely Liberal with the exception of a handful of C.C.F. supporters there would have been slightly under half Liberals, slightly over a quarter Conservatives, and about the same number of C.C.F. members and possibly one or two others.

Ontario and Saskatchewan provide excellent examples of the manner in which our present electoral system deprives minority groups of representation. But they likewise provide excellent examples of one weakness in "P.R."

Under "P.R.," Mr. Hepburn's Government would not be a strong government. He would always be threatened by a combination of the opposition forces. In Saskatchewan, Mr. Gardiner might not even have been called upon to form a government if the Conservatives had been able to bribe the C.C.F. members to join them.

France's steady succession of cabinet crises show the political chaos of governments by group combinations.

The first Mackenzie King administration was kept in power by the support of a small Progressive group who exercised a political power far in excess of their proportionate numbers. Under "P.R.," trading of concessions, political log rolling and dominance by small minorities are inevitable.

"P.R." has great merit for city councils and other bodies elected for specific terms, where responsible government is not at stake. But it is not so good for Dominion and provincial houses where the life of a government is the period during which it can control a majority of the legislature.

"P.R." makes strange bedfellows in governments. When they are particularly ill assorted they conspire to defeat efficient administration.

EDITORIAL NOTES

"Roosevelt Weighs Plans to Co-ordinate all Branches of Recovery Activity." A little late starting, it would seem.

• • •

United States government is now operating 800 mattress factories. Another way of spending money might be for the government to hire people to sleep on the mattresses.

• • •

Now, it's Edmonton that wants Thomas A. Bradshaw to make a report on civic finances. It's too bad Mr. Bradshaw cannot be in a dozen places at once.

• • •

A travelling motion picture studio from Hollywood visited Toronto recently. The least the public should expect of Hollywood is that it will stay at home.

• • •

Stocks have been rising. Our most reliable signal to sell has not yet been given. There are still but few women sitting in the chairs in the brokerage offices.

Post-Scripts

THE British Air Ministry doesn't believe in half-hearted tests of materials when buying new supplies. Recently the Ministry decided to buy a large supply of asbestos gloves for use in the Royal Air Force. Only the best were wanted and in order to ensure superior quality, the following tests were applied according to an account in Asbestos, a trade publication:

A man wearing a pair of these gloves was required to pick up a red coal and hold it until it had gone black; to pick up a hot coal out of the middle of a smith's forge; to hold his hand in the forced draught of the forge for half a minute; to bend a red hot half-inch rod with his hands, and to hold a similar steel rod until its temperature had fallen to a black heat.

One would consider the foregoing a good day's work, but the Ministry applied one more test: the wearer of a pair of gloves was required to screw a small nut on to a bolt while both were red hot.

In all these remarkably searching tests the wearer suffered no discomfort or injury.

• • •

NEW YORK financial journals are in receipt of the following letter which speaks for itself:

To the Editor:

Dear Sir,—A friend of mine in New England has a neighbor who has received a Government cheque for $1,000 this year for not raising hogs. So my friend wants to go into the business himself, he not being very prosperous just now; he says, in fact, that the idea of not raising hogs appeals to him very strongly.

Of course, he will need a hired man, and that is where I come in. I write to you as to your opinion of the best kind of a farm not to raise hogs on, the best strain of hogs not to raise, and how best to keep an inventory of hogs you are not raising. Also, do you think capital could be raised by issuance of a non-hog-raising gold bond?

The friend who got the thousand dollars got it for not raising 500 hogs. Now, we figure we might easily not raise 1,500 or 2,000 hogs, so you see the possible profits are only limited by the number of hogs we do not raise.

The other fellow had been raising hogs for 40 years and never made more than $400 in any one year. Kind of pathetic, isn't it, to think how he wasted his life raising hogs when he could have made so much more not raising them!

I will thank you for any advice you may offer.

Very truly yours,
HAROLD TRUEMAN.

Sayings of the Week

"Bureaucracy digs its own grave."—*Chapin Hoskins, in Forbes Magazine.*

• • •

"Good manners are more important than arithmetic."—*John F. O'Ryan, police commissioner of New York.*

• • •

"The great sport of modern times is the race of the present to beat the past—even the immediate past."—*Robert Lynd.*

• • •

"Teachers should not equip their children with little gilt harps to go and sing in a fool's paradise."—*Lord Dunsany.*

• • •

"The best years for the teaching of citizenship are between the ages of 16 and 18."—*Sir Ernest Simon, of Manchester.*

• • •

"First-class brains are constantly found in men of little education."—*Donald R. Richberg, general counsel of the N.R.A.*

• • •

"People who come to England from Central Europe in these days can fill their lungs with the fresh air of liberty."—*Sir Herbert Samuel.*

• • •

"In this modern world, the spreading out of opportunity ought not to consist of robbing Peter to pay Paul."—*Franklin D. Roosevelt.*

• • •

"An age old condition of scarcity has given place to a temporarily embarrassing condition of plenty."—*Alfred P. Sloan, president, General Motors.*

• • •

"No more interesting adventure presents itself to a capitalist of genius today than to round up the unemployed into groups producing their own wealth."—*Prof. J. W. Scott, of England.*

• • •

"The strike is less effective than a lot of labor leaders think. It engenders hatred, suffering and losses which, in the long run, the worker shares."—*U. S. Senator Robert F. Wagner.*

• • •

"It is uneconomic to build factories and buy machinery and raw materials unless adequate financial provision is also made to meet the cost of advertising the goods produced."—*Prince of Wales.*

• • •

"It is a well established historical rule that those who attain power by force and fraud are obliged to maintain themselves in power by the same means."—*Wickham Steed, former editor of the London Times.*

• • •

"Business is merely an aggregation of individuals to do something which a single individual can do, but far less efficiently and successfully."—*Lammot DuPont, president of E. I. DuPont, deNemours & Company.*

• • •

"Twenty years after the war, we are engaged in another ruthless war in trade in which our own Dominions are our opponents. This may be as expensive and almost as deadly as a military war itself."—*Sir Percy Mackinnon, member of the committee of Lloyd's.*

New Books

BIG STEEL, By Leslie Swabacker, Published by the Macaulay Company, New York, at $2.50.

If "Rasputin and the Empress" was worth a quarter of a million dollars or more to a Russian princess who deemed herself to be libelled by the picturization of one of the characters in the film, it would be difficult to put a valuation on all the characterizations in "Big Steel." Mr. Swabacker's book is obviously a novel in which an industrial epoch is described. Why Mr. Swabacker did not tell his story in historical narrative is difficult to understand. But he has told the story of the Carnegies, the Schwabs, the Fricks and the other tycoons of steel in a novel that smacks of the exaggeration of the movie scenario.

When he deals with incidents he tells of them with such a thin disguise that every character is recognizable by any person who has glanced through the history of the steel industry in the United States or the biographies of the chief participants in the steel drama. All the brutality and romance, all the human sacrifice and the courage that went into the building up of that industry in the decades when human life was cheap are portrayed in a vigorous style that catches the superficial half of the truth and misses the other half in the manner of a radical politician making a platform speech. The novel sits uneasily on that thin fence that separates muckraking from revelation. But as fiction it is exciting, readable, interesting.

CONSULTATION AND CO-OPERATION IN THE BRITISH COMMONWEALTH. Compiled by Gerald E. H. Palmer. Published by Humphrey Milford, London, at 12s. 6d. and Oxford University Press, Toronto, at $3.75.

This is a handbook on the methods of consultation between the different countries of the British Commonwealth. It is a valuable reference volume growing out of the Commonwealth Relations Conference held in Toronto last year. It has been compiled by Gerald Palmer of the Royal Institute of International Affairs of London.

Prof. A. Berriedale Keith introduces the material with a sketch of the constitutional development of the Empire from 1887 to 1933.

Views of a Progressive

Quoted by W. J. Wollman & Co., from the writings of Theodore Roosevelt

"An honest currency is the strongest symbol and expression of honest business life. The business world must exist largely on credit, and to credit confidence is essential. Any tampering with the currency, no matter with what purpose, if fraught with the suspicion of dishonesty in result, is fatal in its effects on business prosperity."

"Very ignorant and primitive communities are continually obliged to learn the elementary truth that the repudiation of debts is in the end ruinous to the debtors as a class; and when communities have moved somewhat higher in the scale of civilization they also learn that anything in the nature of a debased currency works similar damage. A financial system of assured honesty is the first essential."

"It really does not matter much as to the quantity of the money in a country. It is the quality of the money that is of importance and the circumstance of the people."

"If there were a great inflation of the currency the prices would go up rapidly, wages might after a while go up a little, but they would go up very slowly and never as high as prices."

"Every man who has made wealth or used it in developing great legitimate business enterprises has been of benefit and not harm to the country at large."

"The largest creditor class is the class of wage-earners."

"Very rich men are by no means of necessity creditors. The people who have their little all in savings banks or in trust companies, or who have life insurance policies, all of these would suffer much more than the very rich men."

"All of them believe, or affect to believe, that people generally must be benefitted by giving them something which they have not got and as, of course, something is to be taken from somebody else, their plan ultimately resolves itself into a rather complicated system of robbery by which every class, excepting always that which by hard work and thrift has accumulated a competence, is to be benefitted at the expense of every other class."

"The great captain of industry, the man of wealth who alone or in combination with his fellows, drives through our great business enterprises, is a factor without whom the civilization that we see around about us here could not have been built up. Good, not harm, normally comes from the upbuilding of such wealth."

In the Mail

Nickel Exports

Editor, The Financial Post:

In a note in your issue of August 4 you refer to an item in the news sheet of this society for July on nickel exports as follows:

"In concluding, as does the writer for the League of Nations, that the mere curbing of nickel exports would seriously retard this race, the writer appears to be mistaking the cause for the effect."

If you will glance at the paragraph again, you will see that the point is specially made that Canada should be prepared to control the nickel industry "in so far as such control is required for world disarmament." The "mere curbing of nickel" would of course, as you point out, be quite ineffective. The paragraph was designed to draw attention to the fact that if and when a Disarmament Convention is signed, the control of minerals will probably be dealt with, in which case Canada should be prepared to include nickel with the others.

T. W. L. MACDERMOT,
National Secretary,
League of Nations Society of Canada.
Ottawa, Aug. 17, 1934.

"Canadian Banker Wanted"

Editor, The Financial Post:

In your issue of July 21 you have an article under the above heading which must cause some astonishment to any Englishman who reads it, and also not a little amusement!

London is admittedly to all but "100 per cent Americans" the financial centre of the world, and yet you say "to appoint other than a Canadian to head the Bank of Canada would be a distinct reflection on, if not an impertinence, to this Dominion." Why? If the Englishman is not a better man, yes, but if he is, where is the "impertinence?" There is an old saying in England, if not in Canada, that "What is sauce for the goose is sauce for the gander," yet while the selection of an expert from the financial centre of the world would be an "impertinence," Lord Kitchener's selection of Percy Girouard is merely a selection of the best man; that at any rate is the implication!

You also make reflections on the Bank of England—a great institution which is honored in every country of the world—and you suggest, shall I say impertinently, that a man selected in England would not carry out his work honestly and with due regard to the interests of Canada and the Empire.

Belief in one's own country is excellent, but carried to this extreme it becomes amusing, if not harmful, and you, may I say, will be honored if any Briton or Englishman of distinction in finance takes on the job!

When one sees this kind of argument in a good paper like The Financial Post, one cannot but despair and feel that any co-operation between the various parts of the Empire is almost an impossibility. In fact this kind of argument seems to the average Imperialist the antithesis of common sense. Get the best man for the job, wherever he is in the Empire, and be thankful you have got him.

CHARLES H. LUKE,
New Barnet, Herts., Eng.

Other People's Views

We Have Them in Canada

Time

One day last month hawk-eyed H. I. Phillips of the New York Sun was poring over the Journal of Commerce when he spotted on the same page an advertisement and a little news item. Promptly in his "Sun Dial" column the following appeared:

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As thoroughly American institutions, we strongly advocate Americans dealing first and to the fullest extent with American companies. This serves . . . our country's manufacturing . . . employment . . . national progress.

Ernest Sturm
Chairman of the Boards, American Fore Group of Insurance Companies.

NEWS ITEM

Mr. and Mrs. Ernest Sturm and their daughter will sail Saturday on the "Rex" for Gibraltar for a three weeks tour through Spain. Following the tour they will embark at Gibraltar on the "Conte di Savoia."

Mudslinging in Court

Calgary Herald

Ontario Hydro-Electric investigating commission's counsel told members of the court that Hon. Arthur Meighen was a self seeking man who gained his appointment as a member of the Hydro Commission through political motives and used his position to protect his own investments and the investments of his companies.

Hon. Mr. Meighen was present and objected strenuously to counsel's habit of making statements unsupported by evidence. Mr. Meighen here is voicing the unspoken objections of many persons, at one time or another defendants in actions where opposing counsel took advantage of the occasion to exaggerate to their hearts' content the story of the evidence adduced.

It seems odd that it should be necessary for prosecuting attorneys to thus interpret (or rather misinterpret) for the benefit of judges or commissioners evidence already listened to by them, and from their interpretation of which it is their business to decide the case.

It seems strange too that privileges of Canadian court procedure should permit counsel to go beyond reasonable interpretation of evidence for the purpose of blackening the character of a defendant in order that, perchance, some of the mud may stick and a judgment follow in his favor.

There would not be so much of that sort of thing were courts to frown upon it. It seems rather a pity they do not. While it is permitted in open court, though it probably does not affect the judgment of the court, the publicity it receives through the press is likely to affect the judgment of the public, which is a not unimportant consideration.

"Stop Me If You Have Heard This One"

"If you want me, you had better sign me up right now. There are several companies after me," remarked the applicant for the job.

"That's interesting," said the manager in reply. "Do you mind giving me an idea who they are?"

"I cannot tell a lie. They are the gas company, the light company and the mortgage company."

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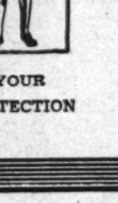

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that experience has proven failure to make a Will one of the greatest mistakes a property owner can make, many neglect this duty. If you have no Will there is a possibility of trouble and loss for your heirs, which you can prevent by taking proper precaution now. Consult your Lawyer and our Estates Department. He will draw your Will—we will act as Executor and Trustee.

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The Week in Business

Autumn Sales Prospects

FALL prospects for most retailers throughout the country are greatly improved by the small stocks of summer merchandise remaining in their stores. Summer demand in most lines exceeded expectations with the result that initial stocks had to be replenished throughout the season. Due to three years of very poor demand in many lines, these extra orders were kept as small as possible. Already, in the larger centres, retailers are showing fall and early winter lines of clothing, hardware, etc., with demand stated to be excellent.

Wholesalers' sales staffs are now busy covering their territories and while demand is as good as expected in most districts, being actually the best in some years in many areas, wholesalers stress the wide differences in purchasing power. This, of course, is particularly true throughout the west where some areas will harvest excellent cash crops while in others there has been almost complete failure.

• • •

Edmonton Optimistic

FEW, if any, districts in Western Canada have better prospects for increased fall business than the Edmonton area. In a recent letter to The Financial Post, a prominent Edmonton executive summarized the situation in that area as follows:.

"You will be glad to know that we are having exceptionally good crops in the Edmonton territory though they have been delayed somewhat by late rains. This, of course, does not apply to all parts of Western Canada. Southern Alberta is not any more than fair and Southern Saskatchewan is not even that."

• • •

Is Tourist Traffic Heavier?

ALTHOUGH reports from border ports of entry have stressed the big increase in the number of automobile tourists entering Canada from the United States, and some authorities have estimated that tourist traffic this year has made a big step toward the level of 1929 and 1930, other authorities take a different view. In the current issue of the monthly letter of the Bank of Montreal, for instance, the following statement appears:

"Retail business is experiencing midsummer quiet and has not been helped appreciably by tourist traffic, which is light."

• • •

Maple Leaf Tour

IMPROVEMENT in sales and a greater general acceptance of Canadian products in the British market is expected to result from the visit of a party of British importers and merchants who recently arrived in Canada as the guests of the Dominion Government local Boards of Trade and Chambers of Commerce. The party, 62 strong, are making a two weeks tour of Canadian packing houses, dairies, canneries, stock yards, etc., as well as farms and orchards. Members will thus be able to view the manufacture and handling of Canadian export food produce and it is hoped to impress them with the excellence of these products.

In addition to their tour of growing and manufacturing areas they will be guests at the Canadian National Exhibition in Toronto and the Central Canada Exhibition in Ottawa. Representatives and editors of trade publications are included in the group, along with wholesale and retail merchants, so that a large audience is assured for the information gleaned during their stay in Canada.

• • •

Labor Troubles in U.S.A.

LABOR trouble is the most serious factor operating in the U.S. to impair confidence and thus retard recovery, according to the current issue of the Guaranty Survey, published by the Guaranty Trust Co. of New York. Not only have there been many large strikes which have been featured in the newspapers but there have been many smaller strikes which have only come to the attention of the public as items in the statistical reports of the National Labor Board.

The policy of settling each strike as it arises, which has been adopted by the government, comes under criticism in the Survey, as follows:

"The policy of the Administration has been to settle each of these disputes as it arose, without taking definite steps to clarify the respective positions of industry and labor under the vague provisions of Section 7 (a) of the recovery act. The consequence is that neither employers nor employees know what they may reasonably expect. Under such conditions, it is natural for employees to strive for the utmost possible and to use the most powerful weapons available for their purpose, and for employers to offer strenuous resistance to any settlement that might set a dangerous precedent and, at the same time, to follow extremely conservative business policies in the face of such an uncertain future."

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Business Conditions in Canada

IRON, STEEL MILLS FOOD FACTORIES INCREASE ACTIVITY

Construction Awards Also Help Business Gain

Receipt of further information confirms that business conditions were more active in July than in June, the rise in The Financial Post business index being somewhat less than indicated by first appearances. The index in its final form was 98.6 compared with 97.4 in the preceding month. Despite the reaction of some factors, it is interesting that the advance which had been in evidence since the beginning of the year was extended to a new high point on the present movement.

Of the nine factors representing progress in the mining industry, only three showed gains after seasonal adjustment, the index dropping from 127.3 to 117.2. The gain in coal production to 991,000 tons compared with 979,000 was contrary to seasonal tendencies. Silver shipments were 999,000 ounces compared with 732,000, and lead output was greater in the latest month for which statistics are available. Gold shipments were reduced at 249,400 ounces compared with 263,000.

Food Manufacturing Brisk

The 29 factors entering into the compilation of the manufacturing index averaged slightly higher, the gain being from 98.7 to 99.0 The index of food production rose about three points due mainly to advances in the milling industry and in exports of cheese and canned salmon.

Tobacco releases showed decline, the increase in cigarettes being less than normal for the season. Imports of crude rubber were greater at 5,443,000 pounds compared with 4,947,000. Raw cotton imports on the other hand were at a much lower level. The rise in the exports of lumber to 14,000,000 feet, was a constructive factor, the effect of which was offset by the decline in newsprint production to a lower point than in any other month since February.

Steel Mills Busier

The rise in the production of steel ingots presents a contrast to the trend in the United States. The adjusted decline in motor car output was slight, petroleum imports showing a gain to the highest point for the present year.

The gain in building permits was a feature for the month the total being $3,219,000 compared with $2,364,000. The daily average electric power output was 52,300,000 kw.h. compared with 56,943,000, the adjusted decline being nearly 3 per cent. The adjusted index of trade employment was 118.0 compared with 119.6.

The general index of employment was 99.9 on August 1 compared with 101.0 at the beginning of the month under review. The adjusted index declined from 96.7 to 95.2. The manufacturing division showed a contrary tendency, the adjusted index being up at 91.4 compared with 91.2.

Cost of Living Gains as Food Prices Rise

Gains in prices of foodstuffs, many of which were of a seasonal nature, slightly raised the cost of living in July over the previous month after consecutive monthly declines since March, according to the Dominion Bureau of Statistics index of cost of living compiled from retail prices, rents and cost of services. Offsetting to some extent the gains in food prices there was a slight drop in the fuel index. The combined index was 78.4 as against 78.2 in June and 76.9 in July a year ago.

For 46 food items the index rose from 67.6 to 68.4, increases for eggs, onions, tea, coffee and certain meats more than counterbalancing lower prices for potatoes, sugar, butter, shoulder beef and mutton.

Sugar Beet Prospects Excellent in Alberta

Never before in the history of sugar beet growing in Alberta have such favorable conditions existed from the standpoint of growth as at present, according to reports from the Lethbridge area. The acreage this year is 14,200, with growth nearly 3 weeks earlier than last year and indications of a high gross tonnage from the entire district are evident.

Harvesting will start about the same time as last year, or about September 15. The 1933 returns showed a tonnage of 138,000 but prospects are for a greater yield this year in view of the ideal conditions.

More Homesteaders For Alberta

Homestead business in Alberta for the fiscal year ended March 31 was ahead of that for the preceding year by 207 entries, according to the annual statistical report just issued by the lands branch of the Department of Lands and Mines. The total entries from April 1, 1933, to March 31, 1934, were 3,706, as compared with 3,499 in 1932-33.

Quebec Business Alone Fails to Gain in July

Advance in Ontario Was Small But Gains in Other Provinces Substantial, The Financial Post Regional Indices Show

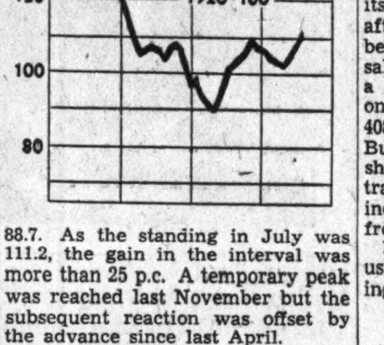
By SYDNEY B. SMITH

The Financial Post regional indexes recorded further advances in July in each of the five economic areas except Quebec, where the standing was practically maintained. The gain in Ontario was slight, while substantial increases were chalked up in the other areas.

The construction indicators were mainly on the upgrade but the level of operations was low compared with prosperous years. The main influence in raising the July indexes was the advance in financial factors. Bank debits and sales of life insurance recorded a gain in each of the economic areas. Most of these gains were of a pronounced character. The electric output showed gains except in Ontario and Quebec. Gains were recorded in wheat receipts and prices, affecting the index of the Prairie Provinces.

Steel Mills Busy

Maritime Provinces—Business conditions in the Maritime Provinces have shown progressive improvement since April, the index for the area reaching a new high level since the early months of 1932. The low point of the depression was reached in April 1933 when the index was 88.7. As the standing in July was 111.2, the gain in the interval was more than 25 p.c. A temporary peak was reached last November but the subsequent reaction was offset by the advance since last April.



External trade through Maritime province ports declined in July from the preceding month, and tonnage of vessels leaving Halifax and Saint John was at a lower level after seasonal adjustment. The other six factors used in this connection participated in the increases.

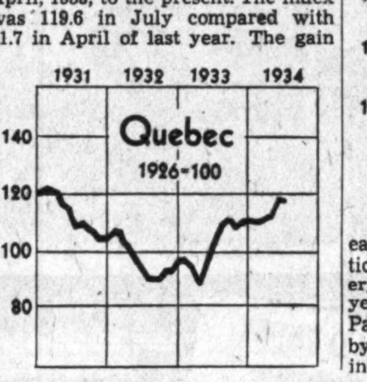
Construction contracts were $1,447,000 compared with $716,000 and building permits were at a much higher level. Electric power showed a gain after seasonal adjustment. The adjusted index of employment was 95.9 compared with 94.9. Bank debits were $53,000,000 as against $42,600,000. The index of sales of life insurance moved up from 74.0 to 113.4.

In a recent week there were 1,648 men on the payrolls of the Nova Scotia Steel and Coal Co. at Sydney Mines, while 8,000 were working for the Dominion Coal Co. at Glace Bay.

The index was 111.2 in July compared with 108.2 in the preceding month, a gain of 2.8 p.c.

Electric Output Drops

Quebec — Business operations in Quebec were resumed to an important extent during the period from April, 1933, to the present. The index was 119.6 in July compared with 91.7 in April of last year. The gain of more than 30 p.c. reflects the substantial nature of the recovery in the last 15 months.



While the level of building operations was still low a considerable improvement was shown over June in the booking of new business. The decline in the output of electric power was greater than normal for the season, the index dropping from 251 to 233. The adjusted index of employment was off from 91.2 to 90. A counter-seasonal gain was shown in bank debits, the index being $805,000,000 compared with $786,000,000. A slight gain was shown in sales of life insurance after seasonal adjustment. Operations in three of Quebec's important industries showed recession in July. These included the boot and shoe, cotton textile and newsprint.

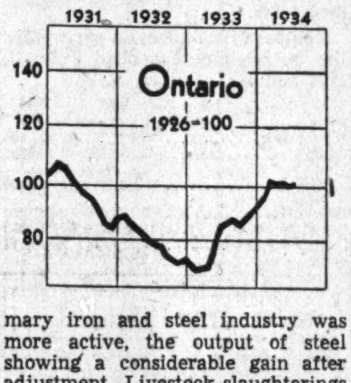
The index of business activity in Quebec was nearly maintained at 119.6 compared with 119.8.

Unbroken Recovery Continues

Ontario—Recovery in Ontario was practically unbroken in the twelve months following March, 1933. Since the first quarter of the present year the advance has been halted, but the gain in the index for July from the low point of the depression in March 1933 was no less than 32.5 p.c.

Comparing July with the preceding month, the financial factors set the pace with sharp gains. Bank debits showed a pronounced increase after seasonal adjustment, the index being 122.0 compared with 107.7. The sales of life insurance also recorded a substantial gain contrary to seasonal tendencies. The total was $14,408,000 compared with $13,065,000. Building permits made an excellent showing, while the award of contracts was at a lower level. The index of electric output dropped from 110.5 to 104.2.

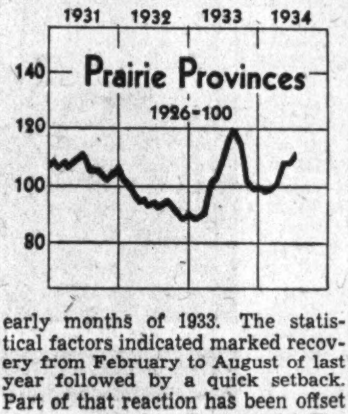
Employment at the first of August showed a decline, the index being 103.3 as against 106.9. The primary iron and steel industry was more active, the output of steel showing a considerable gain after adjustment. Livestock slaughterings and automobile production were down moderately.



The index for Ontario was 100.4 compared with 100.3 in June.

Wheat Prices Gain

Prairie Provinces — In common with other economic areas, the Prairie Provinces reached the lowest point of the depression in the early months of 1933. The statistical factors indicated marked recovery from February to August of last year followed by a quick setback. Part of that reaction has been offset by recovering in recent months. The index of 113.2 in June compares with 90.0 in February 1933, a gain of nearly 26 p.c.



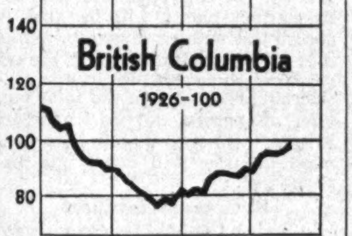
The gain in July was fairly general among the eight factors used in this connection. A revival was shown in construction contracts and building permits. The index of electric output moved up 7 p.c. The adjusted index of employment was 87.4 compared with 89.6. Gains were recorded in bank debits and sales of life insurance. The decline in receipts of wheat at country elevators was much less than normal for the season. The price of contract wheat was 82 cents per bushel as against 77 in June.

The index for the Prairie Provinces was 113.2 compared with 108.7.

Coast Trade Busier

British Columbia — The recovery in British Columbia, in evidence during the last 18 months, has been without important setback. The gain in the index over the low point of last year was more than 23 p.c., the standing being 99.5 in July compared with 80.7 in January 1933.

July records were on the upgrade, only one indicator out of the nine failing to show a gain. The electric output recorded a slight gain after seasonal adjustment. The adjusted index of employment advanced from 90.1 to 91.3 during the month. The rise in bank debits was about 10 p.c. while sales of life insurance were up 24 p.c. Marked gains were shown in both imports and exports through British Columbia ports.



The net result was that the index for July moved up from 97.1 to 99.5.

Canadian Business Indicators

Compiled by The Financial Post

▲Denotes new figures this week.

WEEKLY DATA

	Latest 1934	Latest 1933	Cumulative Total Jan. 1 to date 1934	Cumulative Total Jan. 1 to date 1933
Transportation—				
Car loadings (Aug. 18)	▲43,828	43,181	1,394,588	1,176,712
C.P.R. gross earn. (Aug. 21)	$▲2,331,000	$2,171,000	$74,909,000	$65,441,000
C.N.R. gross earn. (Aug. 21)	$▲2,929,899	$2,923,648	$101,994,581	$84,889,720
Business Conditions—				
Weekly index D.B.S. (Aug. 11)	93.6	86.8	......	......
Business failures (No.) (Aug. 18)	▲14	17	628	1,059

MONTHLY DATA

	Latest 1934	Latest 1933	Cumulative Total Jan. 1 to date 1934	Cumulative Total Jan. 1 to date 1933
Business Conditions—				
Financial Post index (July)*	▲98.6	84.3	......	......
Transportation—				
C.P.R. net earnings (June)	$1,755,580	$2,049,387	$8,054,412	$4,861,140
C.N.R. net revenue (July)	$▲688,445	$820,466	$5,066,986	$‡2,158,515
Iron and Steel (July)—				
Pig iron production (tons)	37,306	857	157,827	36,210
Steel ingot prod., (tons)	64,013	31,602	397,502	130,464
Automobiles (Number)—				
Passenger Car:				
Domestic sales* (June)	8,394	5,805	43,795	25,522
Factory output (July)	▲11,114	5,322	78,198	38,181
Trucks and Buses:				
Domestic sales* (June)	1,601	707	6,567	2,931
Factory output (June)	3,095	1,318	14,900	5,403
Exports (June)	5,477	1,801	26,287	8,092
Construction—				
Building permits (July)	$3,219,086	$2,180,403	$13,435,928	$12,496,402
Contracts awarded (July)	$11,190,500	$12,652,000	$72,107,200	$45,564,300
Newsprint (tons)—				
Production (July)	208,238	180,387	1,468,871	1,074,874
Exports (July)	212,845	167,302	1,353,298	974,539
Sugar (lbs.)—				
Melting & shipments§	82,544,198	57,248,316	321,755,074	336,521,967
Manufactured§	83,543,766	57,332,368	316,407,023	337,290,934
Flour (bbls.)—				
Production (May)	1,175,433	1,334,101	5,473,194	5,056,380
Wheat flour exports (July)	408,028	492,765	2,941,639	3,057,427
Trade (July)—				
Imports	$44,144,509	$35,698,380	$291,534,359	$203,619,494
Exports	$56,121,112	$51,345,011	$345,780,173	$257,438,948
Wheat exports (bush.) (July)	12,979,231	16,373,532	77,701,271	99,742,109
Employment (July 1) D.B.S. Index—				
All industries	96.7	84.5	......	......
Manufacturing	91.2	83.0	......	......
Electric Power Output (July)—				
Total monthly (000's omitted)	▲1,621,314	1,442,660	11,992,789	9,527,608
Aver. daily (June)	56,942,000	47,697,000	......	......
Other Industrial Indices—				
Lumbering:				
Plank & board exports, mill (July)	140,000	116,179	765,655	373,357
Boot & shoe prod., pr. (June)	1,723,141	1,965,647	9,286,593	8,823,892
Crude petrol. imp., gal. (July)	▲116,883,000	118,271,494	545,173,292	481,537,893
Cotton imports, lbs. (July)	▲8,281,000	9,790,000	80,904,000	50,556,000
Raw rubber imp., lbs. (July)	▲5,443,000	2,670,000	36,423,087	18,748,876
Coal imports, tons (July)	▲1,545,787	1,239,009	6,746,710	5,170,988
Finance—				
Bank debits† (July)	$▲2,767,000	$3,527,824	$18,209,712	$16,723,096
Bond sales (July)	$66,477,100	$77,499,533	$256,259,772	$206,785,996
Life insurance sales (July)	$33,951,000	$33,006,000	$223,092,000	$224,763,000
Automobile Financing—				
Used cars (June)	$1,798,568	$1,156,450	$7,012,154	$5,832,511
New cars (June)	$2,449,214	$1,244,699	$9,619,990	$5,682,302

†000's omitted. ‡Deficit. §For 4 weeks to July 14.
*D. B. S. All-Canada figure comprising over 90% of the Canadian total. *Final.

GAIN IN PERMITS FOR NEW BUILDING RECORDED IN JULY

Advance Most Marked in Ontario — Against Seasonal Trend

Value of the building permits issued by 61 cities during July stood at $3,219,086, an increase of $854,977 or 36.2 p.c., as compared with the total of $2,364,109 reported in June. The gain is especially interesting since the experience of the last fourteen years shows that the building authorized is usually lower in July than in June. Comparison with the July, 1933, aggregate of $2,180,403 is also favorable, the total for last month being $1,038,683 or 47.6 p.c. higher than in 1933.

Increases over June, 1934, were reported in New Brunswick, Quebec, Ontario, Manitoba and Saskatchewan, the largest gain of $464,494 occurring in New Brunswick. Nova Scotia, Alberta and British Columbia showed declines, that of $74,333 or 37.7 p.c. in British Columbia being greatest.

Best Gain in Ontario

In comparison with the same month in 1933, Nova Scotia, New Brunswick, Ontario, Manitoba and Saskatchewan showed increases, that of $562,848 or 64.1% in Ontario being most pronounced. In the remaining provinces, the value of the authorized building was lower than in July of last year, Alberta showing the greatest loss of $30,821 or 28.3 per cent.

Of the four largest cities, Montreal reported an increase over June, 1934, but a small decrease as compared with July, 1933. In Toronto and Vancouver, on the other hand, there were reductions as compared with the preceding month, but increases over July of last year, while Winnipeg reported improvement in both comparisons.

Of the other centres, Sydney, Fredericton, Moncton, Brantford, Fort William, Oshawa, Ottawa, Peterborough, St. Catharines, Sault Ste. Marie, York and East York Townships, Welland, Windsor, East Windsor, Walkerville, Woodstock, Moose Jaw, Regina, Saskatoon and Lethbridge showed gains as compared with both June, 1934 and July, 1933.

More Butter in Storage Less Cheese, Eggs, Pork

Creamery butter of domestic origin in cold storage in Canada on August 1, aggregated 41,379,000 pounds or five and a half million pounds more than a year ago and 42 per cent more than the five-year average. Cheese stocks amounted to 24,675,000 pounds which was 823,000 less than a year ago and about average. Cold storage eggs at 13,274,000 dozen were about one million dozen less than usual, while the quantity of fresh and frozen eggs was slightly smaller.

Pork in cold storage amounted to 22,602,000 pounds, a considerable reduction from the 32,546,000 a year ago and the five-year average of 29,143,000. Beef and veal, on the other hand, at 8,749,000 pounds were higher. There was less mutton and lamb, the supply dropping to 726,000 pounds. Stocks of poultry were high, aggregating 3,287,000 pounds compared with 2,596,000 a year ago and an average of 3,038,000. Turkeys were in the lead with 1,221,000 pounds followed by chickens at 1,134,000.

Lumber Exports Maintain High Level in June

Export of planks and boards, which has considerably more than doubled during the past twelve months, amounted in June to 123,730,000 ft. of the value of $2,475,305 compared with 94,700,000 at $1,607,801 in June, 1933. The value of the export in May was $2,220,673. The largest buyer by far in June was the United Kingdom at $1,574,396, spruce amounting to $755,196 and Douglas fir to $386,479.

Export of Douglas fir square timber was $123,790, of which $70,736 went to Japan, $17,987 to Great Britain, $16,804 to Australia and $14,848 to China. Shingles at $193,250 went mainly to the United States.

CATTLE SHIPMENTS REGISTER ADVANCE

Trade Between Eastern Canada and Britain Growing — Maritimes Help

From Our Own Correspondent

MONTREAL.—Shipments of cattle from Eastern Canada to the United Kingdom during the current year will show an improvement over the 1933 returns.

Since the beginning of the year, 32,875 head of cattle have been shipped. It is expected that this figure will be raised by another 2,500, as there are five more sailings from Montreal and one from Churchill before the close of the season of navigation.

Last year shipments from the eastern area aggregated 33,244, so that prospects for 1934 indicate a moderate improvement over last year.

The increase is largely due to the cattle trade through the winter season of the Maritime ports, when there were 4,815 head of cattle more in the season of 1933-34, most of which falls in 1934, than in the previous winter season. This past winter 14,792 cattle were shipped through the Maritime ports, compared with 9,977 in the previous winter.

There is a likelihood that the cattle trade through Montreal this season will not reach the Canadian quota in the British market. The cattle cargoes probably will be restricted when the apple export season gets into full swing, for some space will be in demand for the fruit that is now being used for the beef cattle.

HIGH AUTO EXPORTS FEATURE JULY TRADE

Wheat Shipments Lower and Imports Down $2,000,000 from June

Heavy automobile shipments provided the feature of Canada's July exports, the total value of automobiles and parts exported during the month being over $2.5 millions as compared with $873,000 in July a year ago. Newsprint, lumber and meat shipments were also sharply higher than in the corresponding month of 1933.

Total exports at $56,121,112 were, however, only 9.3 per cent above the total for July, 1933, and were almost $2,000,000 lower than in June this year. The decline from June corresponds closely with the long term seasonal trend.

Wheat and wheat flour shipments were considerably lower in volume and somewhat lower in value than in July last year. Volume and value of other leading commodities exported, as shown in the following table, were at much the same level as in July, 1933.

Principal Items of Export

	July, 1934 $	July, 1933 $
Wheat	10,425,535	12,302,679
Wheat flour	1,475,979	1,733,688
Fish	2,440,144	2,200,166
Furs	940,554	808,808
Meats	1,944,969	1,039,134
Cheese	846,442	1,226,659
Planks & boards	2,707,646	2,044,928
Wood pulp	2,180,952	2,327,980
Newsprint	7,263,463	6,281,525
Autos & parts	2,559,266	873,486
Copper, part mfg.	1,676,932	1,759,790
Nickel, unmanuf.	2,644,587	3,034,760

Imports in July also showed a recession of about $2,000,000 from June, the total for the month being $44,144,000, a gain of close to 24 per cent from July in both 1933 and 1932.

Commodity Prices

COMMODITY markets during the past week showed a decided tendency to drift to lower levels, seeming to ignore any bullish news while reacting quickly to anything of a bearish nature. Winnipeg wheat found the volume of hedging sales too heavy to carry and dropped off a few points.

Of course, the situation in the United States is still clouded with strikes and threats of strikes and, although the general opinion appears to be that further price rises will occur, traders are chary of making commitments. Owing to the reduced activity in commercial plants, demand for such commodities as cotton, steel, copper, etc., has been small.

Domestic commercial markets also showed an easier tendency, but cattle prices maintained last week's level despite heavy offerings; export demand was better than for some time.

Opening of the Montreal silver exchange will give Canada the only free North American market in this commodity as United States markets were recently closed, following the government's purchase agreement.

	Latest week	Previous week	Same week last yr.
Cattle, cwt.	$5.70	$6.00	$5.00
Copper, lb.	.09	.09	.09
Cotton, lb.	.1335	.1315	.0960
Rubber, lb.	.1575	.1555	.0735
Sugar, raw, lb.	.0324	.0332	.0356
Silk, lb.	1.17½	1.20	1.92½
Wheat (Man.) bu.	.82⅛	.84⅞	.69⅞
Coffee, lb.	.09⅝	.10	.07½
Hogs	9.40	9.25	7.25
Weekly Indices			
N. Y. Annalist	118.5	116.0	†102.7
Fishers'	78.5	77.8	†63.6
N. Y. Journal of Comm.	79.0	77.6	69.9
Crumps (Brit.)	65.4	65.4	†63.4
U. S. Labor	76.1	75.4	†69.3
Canada (D.B.S.)	72.3	72.9	...

† Average 1933.

Monthly Indices

	Latest	Prev. month	Same month last year
Canada (D.B.S.)			
Retail (July)	78.4	78.2	76.9
W'sale (July)	72.0	72.1	70.5
U. S. Labor (July)	74.8	74.6	68.9
Gt. Brit. (June)	69.9	69.1	68.6

Note: Indices on all base 1926 — 100, except N. Y. Annalist which is 1913 — 100. British index is Board of Trade converted to 1926 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis: hides—heavy native steers: coffee—Rio No. 7, spot, New York; hogs—select bacons, Toronto.

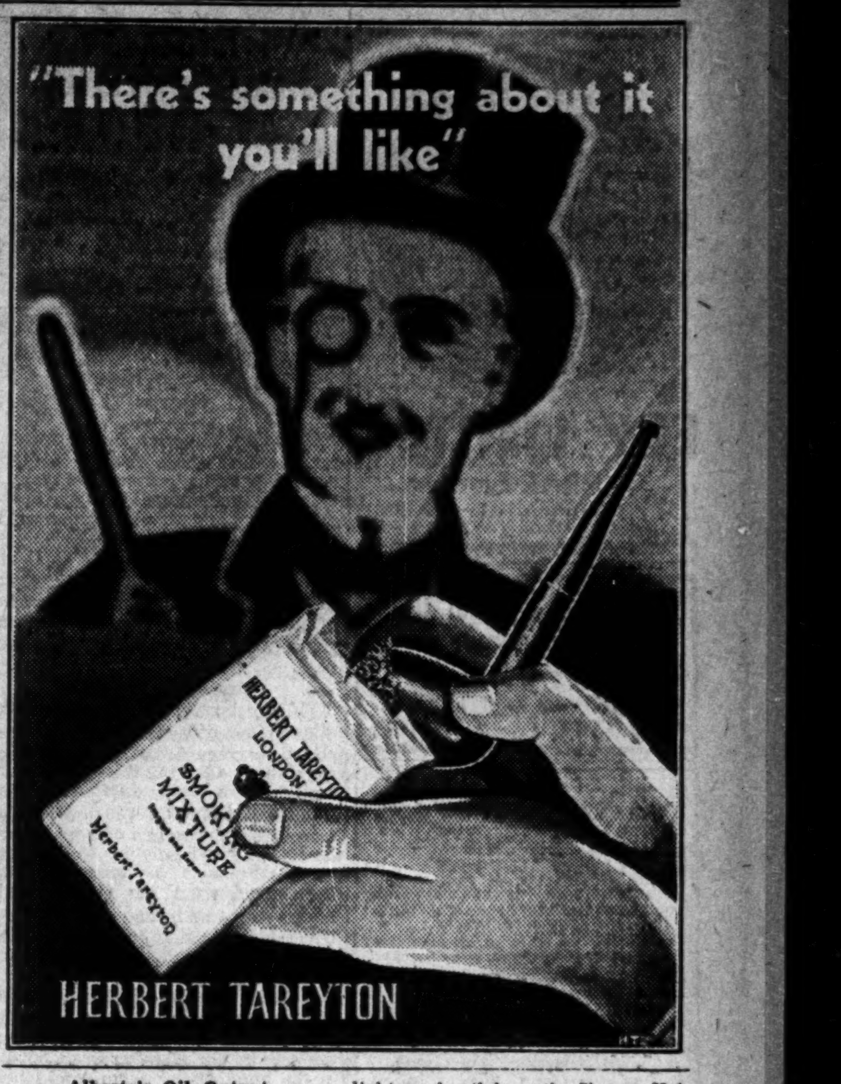
Creamery Butter Output Gains

The production of creamery butter in Canada in the year 1933 amounted to 218,532,307 pounds, an increase over the preceding year of 4,530,180 pounds, or 2 per cent. The total value of the butter made increased to $43,381,524 from $40,475,479 in 1932, an increase of $2,906,045, or 7 per cent.

Landed Value of fish caught during the first six months of this year is $1,882,400 greater than during the first half of 1933.

Alberta's Oil Output

Alberta's output of crude petroleum in May amounted to 104,598 barrels, made up of 99,750 barrels of crude naphtha and 1,544 barrels of light crude oil from the Turner Valley field, 2,032 barrels of light crude oil from the Red Coulee field and 1,272 barrels of heavy crude oil from the Wainwright field.



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THOROLD DEFAULTS ON BOND PRINCIPAL

Interest Expected to be Paid Pending Investigation of Finances

Town of Thorold, Ont., recently advised creditor interests that it will be unable to meet principal payments on debentures, The Financial Post is informed. The town is understood to be operating on a budget approved tentatively by creditor interests and which include a levy for interest on debentures. It is understood that interest on the town of Thorold bonds will continue to be paid while the whole situation is being investigated.

The town made a 1933 tax levy of $186,270, and at the end of the year total tax arrears amounted to $98,374. Total funded debt at Dec. 31, 1933, amounted to $750,162. There was also $79,771 of current liabilities making a total debt of $829,933.

Revenue for 1933 is shown at $227,297, against expenditure of $242,097. Revenue figures, however, are believed to include part of uncollected taxes so that the budget figures are not on a strictly cash basis.

Bigger Pulpwood Drive

Port Royal Pulp and Paper Company, Saint John, will drive a total of some 35,000 cords of pulpwood down the Saint John River this season. The last drive totalled some 10,000 cords.

CAN. WINERIES HOLDS REVENUE AT 1933 LEVEL

Business Volume of First Quarter Considered Satisfactory

U.S. PLANT READY

New Beverage Law Has Not Reduced Company's Sales in Ontario Liquor Stores

Canadian Wineries Ltd. earnings for the first three months of the fiscal year which commenced May 1, 1934, are understood to have been satisfactory and about on a par with 1933. In the last fiscal year a net profit of $43,258 was shown as compared with $7,154 in 1933 and $20,921 in 1932. Last year the common stock of the company earned 40 cents a share with a dividend of 20 cents paid.

Feared New Law

This company, in common with other wine manufacturers was inclined to regard the new Ontario regulations affecting the sale of beer and wine a little dubiously, The Financial Post is informed. Officials feared that the return of beer to the hotels might result in the entire trade for such beverages being transferred from the Government liquor stores and wine shops to the beverage rooms of the hotels with unfavorable results on the sale of wines.

Most of the Ontario wine profits were made from more or less bulk sales and it was not expected that the sale by the glass or small bottle in the hotel dining room would begin to compensate for the former volume dispensed in the liquor and special stores of the winery companies. However, the fears of the wine manufacturers, it is reported, have not been realized in so far as Canadian Wineries is concerned. Results of the new system to date indicate that sales of wine in the Government stores have actually increased, and in addition there is the entirely new trade in the hotel dining and beverage rooms. The latter is small but steadily growing, it is reported.

Smaller Lots

In the liquor stores, more wine is being sold than before the change in the Government restrictions but it is going in smaller lots. Formerly, where the purchaser would buy a one-gallon jar of wine, he now probably contents himself with a bottle but he comes back more often. This change in purchasing is attributed to the dropping of permits for beer and wine. Apparently there is less bother about securing supplies under the present system and there is less tendency therefore to stock up heavily.

Want Advertising

Wine manufacturers were more disappointed than the brewers in the decision of the Ontario Government not to lift the restrictions on advertising. The former point out that beer was well known in the old days when there was no ban on advertising but Canadian wine is a comparatively new development. Moreover apparently there are wines and wines and only through advertising can the public be convinced of certain distinctions. However, it is stated emphatically, that the trade is gradually being built up and also the quality.

Less Importing

There is less importing of foreign wines than formerly, the decrease being credited to the improved quality of Canadian wines and also to the fact that this is a luxury trade so far as expensive French and other outside wines are concerned and luxuries have all been hit in the last three or four years. Fewer restrictions on the sale of beer and wine, it is stated, have also helped the latter in the Western provinces.

Quebec consumption is reported as satisfactory but this is a bulk market very largely for Ontario wine companies, the material being supplied in wholesale quantities and the liquor authorities in Quebec doing the bottling and blending themselves.

New U. S. Plant

The new plant of Canadian Wineries at Lewiston, N.Y., is just about completed, and will be ready, The Post understands, in plenty of time for the grape crop of the present season. While eventually, the company expects that the earnings of the American plant will greatly exceed those of the Canadian, the immediate outlook is not considered to be as bright. Ever since the repeal of prohibition in the United States, conditions have been rather chaotic with a multitude of Government licenses necessary and a great variety of laws governing the new beverage business.

To aggravate matters the United States is flooded with large quantities of poor wine, and until this is out of the way and the laws unified, business is not expected to settle down to a satisfactory routine. However, Canadian Wineries expects that the investment in the American plant will turn out well as it stated that it was almost impossible to export Canadian-produced wine to the United States. Moreover, the plant at Lewiston will be the only one in the New York State grape section, turning out a sparkling type of wine. The experience of this company in manufacturing wine from Northern type grapes, it is expected, will prove of substantial advantage in the American field.

Both the Canadian and Northern United States grape crops came through last winter without any appreciable damage it is reported. With an abundant crop in prospect at the present time, there will be no shortage of supplies. In fact, The Post is given to understand, the picture is rather the other way with many more grapes than can possibly be manufactured into wine. Unfortunately, a large portion of these are of the wrong type, but there has been some improvement in this respect in the last ten years.

Big Salmon Catch

Salmon trollers of the west coast have been reaping a rich harvest from the phenomenal run of cohoe salmon in that area. In one week over 200 tons of salmon were caught by trollers.

Vice-president

H. B. NORRIS
Of Collier, Norris & Henderson, Montreal, who was recently elected vice-president of The English Electric Co. of Canada.

BUSINESS BETTER GEN. STEEL WARES FIRST 8 MONTHS

Bond Interest and Depreciation Understood Well Covered

Although possible action on preferred dividends by General Steel Wares Limited, on the strength of the improvement shown by that company to date, has been firmly denied, earnings of the first eight months, The Financial Post understands, are on a very much higher scale than for the same period in 1933. For the first six months, sales are reported to have increased approximately $1,000,000 over the corresponding period in 1933 and while activity since July 1 is not believed to have been quite as favorable as for the earlier part of the year nevertheless a substantial gain over 1933 is indicated.

Earning Charges

The company, it is understood, has not only earned all bond interest to date but a fair margin for depreciation as well. If anything like the present progress is continued for the remaining four months of the fiscal year, an operating profit of almost double that of 1933 is indicated.

Last year, operating profit amounted to $445,975 but after bond interest of $505,255, there was a loss for the year of $59,280. No provision was made for depreciation, nor has there been anything written off since 1929 although considerable sums, it is understood, have been spent out of earnings on maintenance and fixed assets.

Assuming that depreciation will amount to about the same figure as in 1929, or $315,000, to earn this sum and bond interest for the current year, an operating profit of approximately $825,000 would have to be made as compared with $445,975 in 1933. It is believed that not only will this improvement be shown but possibly more.

Reduces Interest Charges

With over $1,000,000 of bonds redeemed since 1932, the company is in a much better position. The redemption of this amount of bonds, the bulk of which were bought at substantially lower levels that those prevailing today, saves the company over $60,000 in interest charges annually.

While general business in all lines for the company throughout Eastern Canada, has shown steady improvement almost continuously from the beginning of the year, conditions are not so satisfactory in the prairie provinces. There, a substantial item of the company's business, is the sale of milk and cream cans. Unfortunately, shortage of feed and pasture have had some effect on the dairy industry and less cream would be shipped. Then again, as is always true of hard times, utensils, in this case milk and cream cans, have been made to last longer than usual.

CREDITORS MAY TRY FORECLOSURE WELLINGTON BLDG.

Committee Alleges Irregularities at Meeting—Opposes Interest Cut

Bondholders' protective committee for first mortgage bonds of Wellington Building Corp. has announced that it will take action to foreclose under the mortgage held by the bondholders. It will also oppose application to the court for ratification of the vote for relief under the mortgage at the recent meeting of the bondholders, claiming irregularity in the method of conducting the meeting.

It is alleged that the chairman of the meeting reported that bonds represented, totalled in value $309,050, of which $217,750 were said to have favored the plan with regard to cancelling bond interest owing and reducing the per-annum rate to five per cent, although $79,000 in bonds, representing protective committee holders, were turned down and not allowed to vote. Had the latter been counted, the proposals would not have received the necessary 75 per cent approval, it is stated.

Earnings Sufficient

The committee claims that earnings of the building are now materially in excess of interest requirements and, therefore, it is opposed to the proposal made at the recent meeting to have bondholders waive interest overdue for the past three years and convert the present 6½ per cent bonds into a five per cent issue.

It is expected that the court will be asked to ratify the votes of the meeting during the early part of September before which the protective committee expects to have a verbatim report of the meeting made and the irregularities charged.

The Toronto protective committee is understood to be in favor of foreclosure and placing the building into the hands of a trust company with a committee appointed for supervisory purposes.

SEE IMPROVEMENT GENERAL BUSINESS IN NEWFOUNDLAND

Retail, Wholesale Trade and Manufacturing Busier

Good increases in trade and manufacturing over a year ago are reported for Newfoundland for the first six months of this year and there is a greater feeling of confidence for the future, according to a review of conditions by Dun & Bradstreet of Canada. Retail trade is reported to be 8 to 10 per cent higher, wholesale 20 per cent, while manufacturing activity has been increased by 15 per cent.

Larger than average fish catches at the various outport centres would apparently warrant an increase in credit in these areas, the review continues. The money distributed following the successful spring seal fishery was helpful.

Both paper mills, at Grand Falls and Corner Brook, are working steadily with the usual complement of men and have cut considerably more wood than average.

Mines Active

Mining at Buchans and Bell Island shows an increase in production and export, with a promise of even better conditions in the near future.

Commercial failures show a slight increase for the first six months as compared with the same period of 1933, failures numbering 21 with liabilities of $241,780 as compared with 19 and $153,993. None of these failures have been of a serious nature however.

Collections are reported somewhat better than experienced during the past three years but there has, as yet, been little paid on past due accounts.

COMMERCIAL FRUIT 1934 PRODUCTION SHARPLY REDUCED

Expect Marketing Plans of Growers Will Boost Prices

Considerable reduction in all principal commercial varieties of fruit produced in Canada with the exception of apricots is indicated by the preliminary estimate of production recently issued by the Dominion Bureau of Statistics. Although the Canadian totals are smaller, British Columbia shows increases in all varieties, the good apple crop of last year being duplicated and pear, plum, peach and apricot production being bettered by good margins.

Apple production in Nova Scotia is estimated at 1,600,000 barrels as compared with 2,438,000 last year but the reduction in yield is said to be somewhat offset by the better condition of the fruit. A recent report on conditions in that area states as follows:

"Favored with ideal growing weather, the Annapolis Valley apple crop is maturing exceptionally well. The fruit is well-sized with good coloring and, above all, is very clean. Orchardists have exercised more care in the thinning of fruit this year, resulting in larger and better quality apples."

Apple Export Plans

Due to this improvement in condition and to an export restriction scheme which is expected to improve prices, growers in the Annapolis district expect a good season despite the smaller crop. The restriction scheme agreed upon by growers has eliminated export of early apples this year and, beginning September 1 for six weeks, only No. 1 varieties will be exported. Until the middle of October, therefore, there will be no hammering down of prices due to a flood of inferior fruit.

It is stated that the fruit held back will only be early fruit and that the by-product plants will be able to absorb this without difficulty. While it is generally admitted that the restriction scheme will result in a considerable reduction in the total volume of apples shipped to Great Britain, it is hoped that the improvement in price will offset this disadvantage.

B. C. Crops Excellent

In British Columbia excellent weather conditions have been experienced by orchardists since the beginning of the year and all tree fruits were reported to be in excellent condition at the middle of August. Growers have combined in a marketing board and it is expected that Dominion and provincial sanction will be obtained for their plans.

Ontario's fruit yield shows the greatest reduction, the apple yield being only one third of the 1933 figure and the peach and plum crops being estimated at less than half that of last year. Pear production is only slightly smaller.

Preliminary Estimates

Preliminary estimate of chief commercial fruits by provinces follows:

		Prelim. estimate 1934	Final estimate 1933
Apples:			
Nova Scotia	bbls.	1,600,000	2,438,000
New Brunswick	bbls.	34,000	65,000
Quebec	bbls.	132,000	306,500
Ontario	bbls.	320,610	1,068,700
Brit. Columbia	boxes	4,765,575	4,647,640
Total	bbls.	3,596,591	5,349,800
Peaches:			
Ontario	bush.	337,425	749,850
Brit. Columbia	bush.	100,700	52,398
Total	bush	438,125	802,248
Pears:			
Ontario	bush.	222,574	296,765
Brit. Columbia	bush.	168,216	161,020
Total	bush.	390,790	469,785
Other Fruits:			
Plums & prunes	bush.	179,012	226,859
Apricots	bush.	100,220	22,841

Will Consider Sale of Toronto Arena

Meeting of holders of first mortgage bonds of Arena Gardens, Toronto, held last week, has been adjourned until October. The bondholders were asked by the trustee, Toronto General Trusts Corp., to consider what should be done with the building which has been closed.

It is understood that pending another bondholders' meeting any offers to purchase the property will be given consideration. Arena Gardens has some $220,000 of six per cent first mortgage bonds outstanding which are in default. Revenues have practically disappeared since the Maple Leaf Hockey Club ceased to operate in the building.

PULP AND PAPER EXPORT VALUES HIGHER FOR 1934

Newsprint Paper Principal Factor in Increased Shipments

From Our Own Correspondent

MONTREAL.—Greater volume of newsprint exports and consequent increase in values, have had an important effect on pulp and paper exports this year. The Government's report for last July shows that pulp and paper shipments had a value of $9,849,338 compared with $9,394,026 in the previous month and $8,884,710 in July, 1933.

A breakdown of the returns reveals the fact that practically all of the improvement was contributed by heavier shipments of newsprint paper, the value of which increased from $6,281,525 in July, 1933, to $7,263,463 for the same month this year. Pulp export values, generally speaking, were lower than a year ago.

Paper Values Higher

Particulars of pulp and paper exports for July, 1934, June, 1934 and July, 1933, follow:

	July, '34 $	June, '34 $	July, '33 $
Newsprint	7,263,463	6,816,158	6,281,525
Others	404,923	461,734	275,205
Total	7,668,386	7,277,892	6,556,730
Pulp—			
Sulphate	287,890	354,247	301,225
Sulphite:			
Bleached	1,209,513	1,193,366	1,326,546
Unbleach.	295,626	292,164	325,826
Mechanical	351,135	235,709	342,725
Screenings	11,476	16,116	14,439
N. O. P.	25,312	24,532	17,219
Total	2,180,952	2,116,134	2,327,980
To. P. & P.	9,849,338	9,394,026	8,884,710

All Divisions Expand

During the twelve months ended last July, Canada exported pulp and paper to the value of $107,756,489. This compares with $92,190,950 for the previous year.

It is noted in the cumulative returns that the value of paper shipments advanced from $72,472,008 to $81,721,272 this year, newsprint accounting for the major share of the gain.

Pulp export values for the past twelve months were also higher, especially in the chemical grades for which there has been a growing demand. Mechanical pulp exports registered a small increase, but most of the gain in this division has been due to the sulphite and sulphate shipments.

Comparative figures on exports for the twelve months ended July 31, 1934 and 1933, follow:

	1934 $	1933 $
Paper—		
Newsprint	77,326,152	69,527,488
Others	4,395,120	2,944,520
Total	81,721,272	72,472,008
Pulp—		
Sulphate	3,823,995	2,727,338
Sulphite (bl.)	15,404,744	11,716,518
Do., (unbl.)	3,336,384	2,553,514
Mechanical	2,906,779	2,558,110
Screenings	247,389	87,630
N. O. P.	315,926	75,782
Total	26,035,217	19,718,942
Total P. & P.	107,756,489	92,190,950

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Hydro Costs Sudbury $100,000 Yearly Income

Annual profit of $100,000 of the City of Sudbury from sale of light and power to consumers, formerly utilized in reduction of taxation, is to be eliminated at the rate of 20 per cent per year, and Sudbury light and power rates reduced to a cost basis, the Ontario Hydro-Electric Power Commission, operating as trustees, decided last week. The change means an important loss of revenue to the city which is in default of principal of its debentures.

Hitherto, contract has been made between Sudbury and the Wahanapitae Co., but the Hydro acquired the company, is operating as trustee, and is about to make a new contract with the municipality for its light and power supplies. The new contract provides that of the $100,000 amount being paid annually to the city a deduction of 20 per cent, or $20,000 will be made each year for five years, when a cost basis will have been reached.

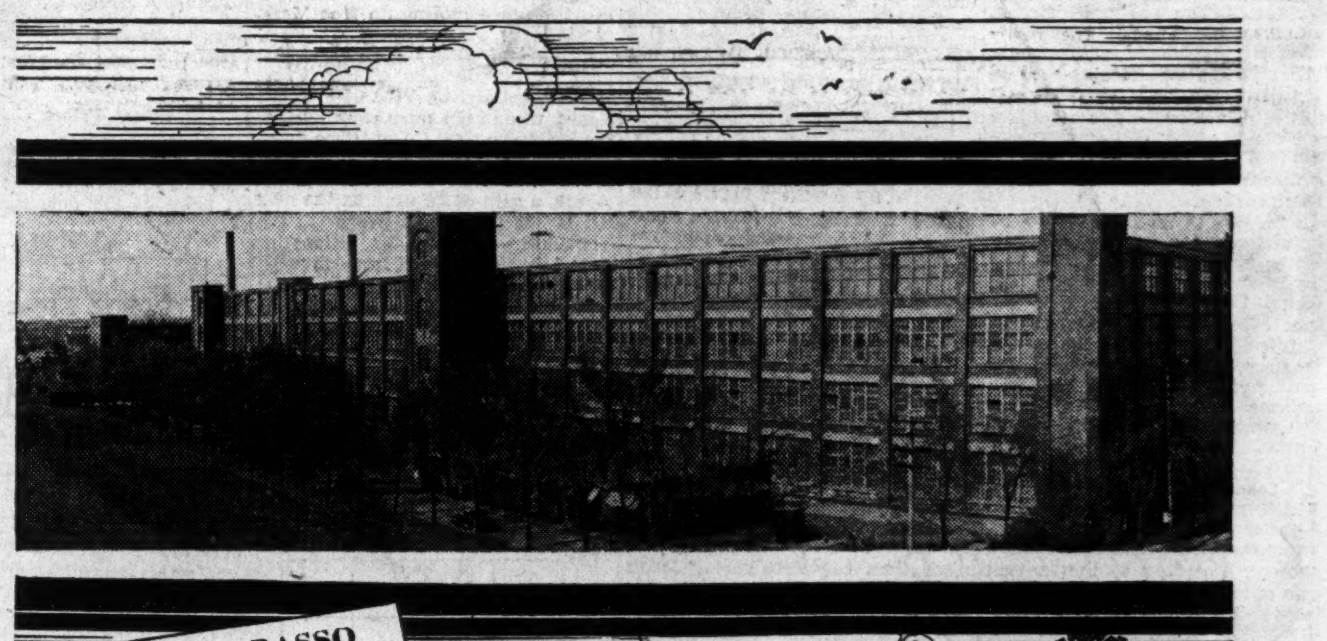
Talc Production High

During 1933 Canada produced talc and soapstone valued at $186,749, which was the highest production value since 1929, and compared with the 1932 value of $159,038, representing a gain of 17 per cent.

Reorganization Montreal Delays Dairy Corp. Plan

The delay in making the reorganization scheme of Dairy Corp. effective has been due to the impossibility to-date of completing the reorganization of the Montreal company under the terms agreed upon by the interested parties, according to a statement by J. A. Caulder, president of the corporation.

Mr. Caulder expects, however, that this will be completed in the near future and that Dairy Corp. will then be able to proceed with the approved plan of reorganization.



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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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Canada's Tariff Piper Paid By 7 Provinces, Says Expert

Consumer Costs Increased by $425,000,000 in 1931 but Ontario and Quebec Alone Receive Net Benefit

That seven Canadian provinces are paying an annual toll of something over $80,000,000 to Ontario and Quebec for the privilege of sustaining a uniform tariff on manufactured goods in the Dominion is one of the startling conclusions reached by Professor Norman McL. Rogers in his 260-page brief on Dominion-provincial relations presented recently to the Nova Scotia Royal Commission. Professor Rogers, now of Queen's University and formerly secretary to Rt. Hon. W. L. Mackenzie King, submitted his brief on behalf of the Nova Scotia government.

One of the major tasks tackled in Professor Rogers's analysis is an attempt to duplicate in Canada a study made in Australia in 1929 respecting the economic position of the various states in the commonwealth. This particular study is concerned primarily with Nova Scotia and introduces the whole Canadian picture only incidentally.

Tariff Cost $425,000,000

In brief he estimates that in the year under consideration (1931) Canadians paid approximately $425,000,000 more than the world level of competitive prices to sustain their manufacturing institutions. Furthermore he suggests that this increase in prices has been so distributed as to give a net benefit of approximately $32,000,000 annually (1931 figure) to Quebec and $52,000,000 to Ontario—as the chief manufacturing centres of the Dominion—while at the same time robbing the other seven provinces of an equivalent benefit ($83,000,000) due to the benefit they received being considerably less than the higher prices they were forced to pay for tariff-protected goods.

While admitting that no exact measurement of the incidence of the Canadian tariff for each individual province is possible due to lack of detail figures respecting the production and consumption of manufactured goods or as to the exact prices at which they are sold in various provinces, Professor Rogers feels the analysis he has made does throw considerable light on this vexed question.

Method of Procedure

His procedure in brief (all figures are for the year 1931) is as follows:

First, to estimate the gross value of manufactured goods actually consumed in Canada. The figure used is the gross value of goods manufactured in Canada ($2,698,000,000) from which is subtracted the gross value of manufactured exports giving a net figure for consumption of $2,348,000,000.

From this consumption figure is deducted $286,500,000 representing goods consumed in Canada but not subject to tariff. The net figure of $2,062,000,000 is then taken to represent the best available measure of the gross value of protected goods manufactured and consumed in the country.

Since the average ad valorem duty on all dutiable imports into Canada in 1931 was 26 per cent, according to the Dominion Bureau of Statistics, it is assumed that the figure shown above ($2,062,000,000) represents roughly 126 per cent of the competitive world value of these goods. It is assumed, therefore, by an obvious calculation, that the prices at which similar imports could be purchased free of duty would be approximately $1,636,000,000.

The difference between these two figures ($425,448,000) is, therefore, estimated to be the amount by which Canadian industry is subsidized by the tariff in respect of home consumption.

Tariff Subsidy Divided

The next problem is how to divide this "tariff subsidy" among the various provinces. The basis here used is to divide it proportionately to the amount of salaries and wages paid out in the respective provinces by the protected industries. This is the method used and recommended by the special committee of economic enquiry on the Australian tariff in 1929.

The final result of each province is as follows:

Cost of Canadian Tariff by Provinces, 1931

	Enhancement of Prices Due to Tariff	Per Capita Tariff Costs
P. E. I.	$ 2,042,140	$23.20
N. S.	15,784,124	30.78
N. B.	12,891,077	31.58
Quebec	101,171,562	35.20
Ontario	168,732,723	49.17
Manitoba	29,185,740	41.69
Sask.	29,228,285	31.71
Alta.	27,909,396	38.15
B. C.	37,737,247	54.36

Who Pays Subsidy?

The next problem is to find just how this enhancement of price due to tariff is distributed to consumers throughout the country. The most accurate index is taken to be the figures compiled by the Dominion Bureau of Statistics showing retail sales in various Canadian provinces. By using percentage figures showing the relative consumption of each province, Professor Rogers distributes the total enhancement of prices in Canada over world levels $425,000,000) and his results are as follows:

Benefits From Canadian Tariff by Provinces, 1931

	Total Tariff Subsidy	Subsidy Per Capita
P. E. I.	$ 467,992	$ 5.32
N. S.	9,487,493	18.50
N. B.	8,126,059	19.91
Quebec	132,867,447	46.23
Ontario	220,722,484	64.32
Man.	19,910,971	28.44
Sask.	3,275,950	3.55
Alta.	8,211,148	11.22
B. C.	22,378,571	32.03

Use of Figures

Commenting on his analysis, Professor Rogers says:

"It is desirable to emphasize again that the tables representing the provincial distribution of tariff subsidies and tariff costs are chiefly valuable as an indication of a condition. It is not an exact statement of the effects of the tariff upon the incomes of the several provinces of the Dominion. It does not indicate the tendency of the tariff to contract the income of export industries by reason of the increase in costs of production of such industries. It does illustrate, however, the effect of the tariff upon the internal distribution of the existing national income.

"It is the tendency of the tariff to increase the money incomes of all protected industries. By their potential ability to raise prices by the extent of the duty on imports they are given command over a larger portion of the income of the community than they enjoy without such tariff protection. It is equally the tendency of the tariff to raise the internal prices of protected goods and therefore to lower the purchasing power of all money incomes.

Two Provinces Benefit

"Owing to the concentration of protected manufactures in Ontario and Quebec these two provinces profit most by the increase in money incomes and are the only provinces where the increase in money incomes is greater than the added charges imposed on all incomes by the effect of the tariff in enhancing the prices of protected goods. In the remaining seven provinces money incomes are increased by the tariff in so far as these province possess protected industries. But in these provinces the increase in money incomes due to the tariff is more than offset by the charges on all incomes due to the enhancement of the internal prices of protected goods.

"In other words the Canadian tariff has in fact imposed a heavy net change on the annual incomes of seven of the nine provinces of the Dominion. This net charge on the incomes of these seven provinces goes to swell the money incomes of Ontario and Quebec.

"The effect of the tariff in increasing money incomes in Ontario and Quebec is significant because a federal government presupposes the existence of the provinces as distinct entities and the ability of a province to discharge its constitutional obligations depends upon the vitality of its economic life. If national policies have a tendency to enrich the economy of two provinces at the expense of the remainder, this fact is of the utmost importance as determining the wisdom or unwisdom of the policies in question and also in its bearing upon the constitutional and financial relationships of the Dominion and the provinces."

Interest Keen As Report Due On Nfld. Mining

From Our Own Correspondent

ST. JOHN'S, NFLD.—With Dr. A. K. Snelgrove, economic geological adviser to the Commission Government, due to return home before the first of September, interest in what he will have to report after a summer spent examining the mineral possibilities of Newfoundland is at a high pitch. It is known that he has sent in a large number of samples during his examination of the various properties and there is strong belief that several gold discoveries of some value have been determined as a result. It is alleged that major indications are at Moreton's Harbor on the New World Island at Mings on the Cape Shore and at Sops Arms, White Bay.

Adding to the general excitement in mining circles is the reported silver discovery by the Anglo-Newfoundland Development Co. at Lloyd's Lake, which lies on the head water of Red Indian Lake. This property was originally staked in 1928 as a high grade copper area. It is supposed that the new silver discovery is a continuation of the Buchans ore body.

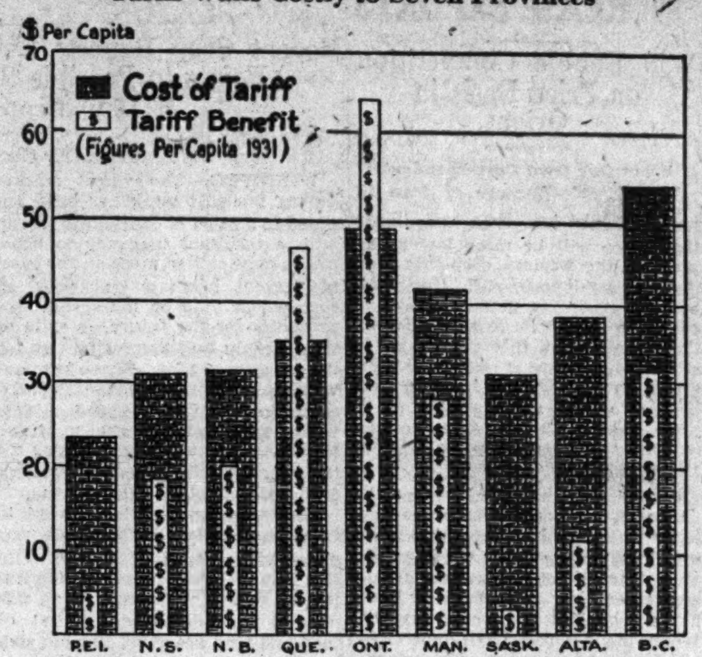
$425,000,000 Tariff Cost Borne By Seven Provinces

In 1931 a protective tariff on manufactured goods consumed in Canada cost citizens of this Dominion $425,000,000, according to Professor Norman McL. Rogers of Queen's University. Professor Rogers was recently retained by the government of Nova Scotia as an expert to prepare the government's brief to be submitted to the Royal Commission of Economic Enquiry now holding sessions in that province.

Just how this tariff burden was distributed between the various provinces both in the shape of costs and benefits is told in the accompanying story and summarized in the following figures taken from Professor Rogers' brief:

	Benefit from Tariff $	Cost of Tariff $	Net Loss or Gain $	Loss or Gain Per Capita $
P. E. Island	467,992	2,042,150	— 1,574,158	—17.88
Nova Scotia	9,487,493	15,784,124	— 6,296,631	—12.28
New Brunswick	8,126,059	12,891,077	— 4,765,018	—11.67
Quebec	132,867,447	101,171,562	+31,695,885	+11.03
Ontario	220,722,484	168,732,723	+51,989,761	+15.15
Manitoba	19,910,971	29,185,740	— 9,274,769	—13.25
Saskatchewan	3,275,950	29,228,285	—25,952,335	—28.16
Alberta	8,211,148	27,909,396	—19,698,248	—26.93
British Columbia	22,378,571	37,737,247	—15,358,676	—22.33
Totals*	425,448,115	424,880,384		

*Note—Different methods of calculation account for the totals of these two columns not balancing exactly.



Tariff Walls Costly to Seven Provinces

Only Ontario and Quebec receive a net benefit from Canada's protective tariff on manufactured industries, according to startling facts compiled by Professor Norman McL. Rogers of Queen's University in a brief submitted to the Nova Scotia Royal Commission on behalf of the Nova Scotia government.

The Post artist shows the results of the study on a per capita basis. The wide shaded bars indicate the cost of so-called "tariff walls" to each province; the slim bar in the centre indicates the cash benefits in each case. It will be seen that the monetary return tops the tariff wall for Quebec and Ontario only.

Butter Exports Needed To Avert Price Slump

Eastern and Western Producers Fail to Agree on How Much Each Will Export — Stocks Must be Reduced

From Our Own Correspondent

OTTAWA.—Negotiations which to date have failed of success, are under way to ensure the export of a substantial quantity of butter in the next few months and, thereby, prevent a sharp drop in the domestic price.

Present butter stocks, when considered from the standpoint of probable production and consumption in the balance of this year, should be reduced by at least 8,000,000 lbs., according to the leaders of the industry. Cold storage stocks in August were nearly 42,000,000 lbs., the highest point in 13 years.

To date, it has been impossible to arrange for the lifting of this amount of butter off the domestic market and there is apparent a degree of ill-feeling as between the trade in the east and the west. Suggestions are being made at Ottawa that the only way in which the dairy industry can be "rationalized" is through a marketing board, but so far no scheme has been prepared and apparently, no steps are being taken to that end.

Situation Serious

In the absence of agreement between the butter men of the east and the west, the situation is regarded as serious. The market may well drift into a state of over-supply and forced exports, with a consequent drop in prices to world levels, less the cost of shipping from Montreal to London.

Meantime the negotiations with respect to exports are being marked by charges of bad faith, hurled by western producers against the eastern trade, and counter charges that the west is the destroyer of good butter prices in Canada.

Here Are The Facts

The facts regarding the situation are as follows. In the first eight months of 1933, butter production increased over the corresponding period of the previous year by 11,000,000 lbs. A glut on the market during the winter months seemed inevitable and negotiations, similar to those now under way, were launched with the object of lifting the surplus off the market, exporting it to London without depressing domestic prices. It is claimed by western dairymen that a gentleman's agreement was entered into under which both sections of the country, east and west, were to export 3,000,000 lbs. each. The western trade did export this amount, whereas exports from the east amounted to but 1,000,000 lbs.

When the final export figures were announced, the charge of bad faith was made. But the eastern trade contends that no agreement was entered into. Both sections conceded the desirability of large exports, without undertaking any definite quota. Federal officials who attended the negotiations confirm the eastern version of the 1933 negotiations.

No Overproduction in 1933

Owing to abnormal conditions, the expected overproduction in 1933 did not materialize. Winter set in very early causing a sharp drop in production and, still more unexpected, there was a sudden increase in domestic consumption.

These two factors—the early winter and its later severity, and the increase in consumption—actually caused a shortage in the butter reserves early in 1934 with the result that 2,748,000 lbs of New Zealand butter were imported.

In the current year consumption has continued to increase, but production has gone up faster. From January to June, inclusive, consumption grew by 3,000,000 pounds but production expanded by 4,800,000 pounds. At the present time, some 7,000,000 lbs. of butter more than was available in September, 1933, is definitely in sight.

While 7,000,000 lbs. is not of great significance when it is considered that Canada's annual production is about 215,000,000 lbs., there are other factors in the situation which are regarded as distinctly unfavorable. A recurrence of the abnormal weather conditions of 1933 is unlikely and, also, the continued upward trend of consumption is very doubtful. All factors considered, the industry would be much happier if 8,000,000 lbs. of the present stocks were ticketed for export. Domestic prices, in that event, would probably stiffen, giving better financial returns throughout the winter.

The purpose of the present negotiations is to decide who will do the exporting. Western producers have declared they are willing to ship out 4,000,000 lbs. provided the eastern trade will do likewise. But the easterners contend that as all of Canada's surplus comes from the west it should not be up to them to buy western butter for export. Needless to say export prices are lower than domestic prices and the exporter, therefore, must sell at less profit, if not at a slight loss

Meantime it is claimed by the cheese industry that the high tariff protection on butter in recent years has created an entirely false condition and worked havoc with one of the country's basic exports. Cheese has been an important export product for more than 50 years and the Canadian commodity has always commanded a premium on the British market. But while the export trade in cheese still is remunerative, the milk producers have been lured by higher prices from the cheese factories to the creameries.

Pick-up and Delivery Services Stem Canadian Railway Losses

Officials Say Regulatory Legislation Needed—Price War Leads to Truck Company Bankruptcy

The Canadian Pacific Railway and Canadian National Railways in Ontario, Quebec and parts of Western Canada, have won back at considerable cost part of the freight traffic lost to trucks by operating a pick-up and delivery service as part of their freight charge from point to point in large defined areas. It is not believed that even in thickly populated areas profits can have been obtained on this competition business. All that the railroads will admit is that further loss of traffic to trucks has been stopped and that any loss on business in this area is less than it would have been if there had been no pick-up and delivery service arranged.

Admittedly the solution is still to be found. The pick-up and delivery service of the railroad companies is energetic and thorough but it is only a temporary solution. Most of the officials spoken to by The Financial Post state that the matter has become one of pressing public concern and the sooner public bodies establish enlightened policies of control and regulation of all transportation on a just basis the better it will be for all concerned, railways, trucks owners and public.

Is Temporary Policy

The Financial Post is informed that reports are erroneous that railroads are about to change their policy. The policy of picking up and delivering freight is continuing. What will ultimately be done cannot, of course, be said as it is a temporary policy. Especially is it true in the higher schedules that the railways are drawing to themselves considerable traffic by the flat rate delivery prices. Their insistence continues that truck companies should be put under regulation and forced to file prices. Railways file rates and claim that the trucks immediately cut under them and do not have to file rates in turn.

It has been found in recent bankruptcies of truck companies that they have often owed very large amounts and that shippers in cases of bankruptcy have found the situation far from statisfactory to themselves. It is stated that, if proper rates had obtained, these truck companies should have made money. It is claimed by the railroads that competition and cutting of prices has been more against each other than against the railways and that in their own interests they should be regulated.

Public Interest Paramount

There is nothing new in the pick-up and delivery business. The express companies have carried it on for many decades and have done it successfully for the most part in co-operation with the railroads. They have drummed up local traffic to deliver to railroads to take elsewhere and to be delivered at destination by express trucks. The present effort of the railroads really consists of an extension of services which might well have ordinarily been done through the express companies.

The question is a difficult one. All sorts of commissions have been held in the United States and elsewhere in the world and the reports of commissions of experts would fill volumes and does fill volumes.

One high placed official said recently to The Financial Post, "We do not ask that anything but the public interest should be conserved. We do ask that each Canadian should say to himself, "Are the railroads of benefit to Canada?" Are the interests of Canada that they should be kept solvent, maintained at 100 per cent efficiency and permitted to earn enough so that they can expand to meet any Canadian demand of importance arising? The answers to those questions are evident that something should be done to place us in any special or favored category.

"All transportation problems of Canada should be considered as a whole. Its proper place, as measured by efficiency and services, should be allocated to each and in that way everybody may be benefited.

Two Types of Licenses

"Provinces should get more money from the freight carrier. They should realize that there is a distinct difference between local carriage and highway transport. If you look at the highway figures, at the official registration in any recent years, you will find that of all the trucks registered in the province of Ontario, less than 5 per cent of them are registered as highway transport trucks. Obviously different regulations should apply to these and the figures of all types of cars should be segregated so that the policy could be adapted to conditions in each class.

"In my opinion, each province could have two forms of truck licenses, only one of which would be necessary on any one vehicle. There could be local licenses and general licenses. Local licenses should not be confined to municipal limits; that is not quite good enough because the average population spills over municipal limits. But it would be easy to decide whether local licenses would be for 5, 10 or 15 miles beyond the corporate limit.

Segregate the Problem

"The general licenses would be good within and beyond the local zone. They would cost a good deal more, naturally, than the local licenses because very few of these local trucks are used on the highways at all. It would prevent peddling of local trucks beyond their natural territory and would permit development of the truck business whether by companies separate from railroad companies or by railroad companies themselves in an orderly manner. Any traffic officer could easily check up as to whether a truck was going beyond its territory or not by looking at the local license and the owner's license. The issuing officer could easily put on the face of the ownership certificate a description of the local territory in which a license could operate.

"By this means the problem would be segregated between the 5 per cent of trucks which would need general licenses and the railways. While one considers all trucks as a whole the problem cannot be understood or solved.

"Once one sees the type of vehicle that enters into freight transportation over long distances, the provincial officers are in a position to gauge what the right of way is worth to those using it. I know this, that if the people who are in the highway transport business do not work their drivers more than 10 hours a day, if they pay them a fair wage (less than the railroads pay their men) and charge the rates that they tell the people in general that they are charging, if they pay for their gasoline and oil and other expenses and do not exceed 60 per cent of capacity of the trucks, they could pay many times the license fee and still make a handsome profit.

Railroads Needed

"They are not paying their men these rates. We know they are working them longer hours than 10 hours a day. They are not making a substantial profit and the only conclusion is that they are not charging the rates that they say they intend to charge. They are cutting.

"You know that the railroads are absolutely essential to Canadian life. Canada cannot live and prosper without them being able to do efficiently their work of transporting goods from coast to coast and taking the primary products, which are often a long way from the sea, to the sea at a rate which enables Canadian exports to compete with products in other lands. The railroad is only a means to an end. If we must have railroads, we must have efficient railroads. We cannot have efficient railroads that are continuously losing. And they must continue to lose if we do not eliminate these present practices which permit a nibbling away of that part of the railroad traffic without which it cannot be a prosperous efficient instrument of transportation.

"The highway transport operator cannot escape such things as depreciation whether he recognizes it or not. They will come very strongly to his attention when his machine wears out. He may kid himself for a while but it is there. The cost of oil and gasoline and the usual operating expenses, cannot be escaped. He cannot escape the gasoline tax. The only thing he is able to escape is payment of what the right of way is reasonably worth, bearing in mind that the right of way is publicly owned but it is used by him as a means to take private business at a profit.

"One of these transport companies that went broke the other day, did not pass out because of poor management. It and others went out because of nibbling at each other's rates constantly and extending their purchases of trucks until at the new rates they could not make money. In the list of creditors of one of these, there was $50,000, owed for gasoline to one creditor. They collected c.o.d.'s from people and did not settle them. They owed everybody they could.

Why Shippers Use Highways

"Before the railroads adopted the pick-up and delivery system in Western Ontario, there were 3 reasons why the people used the highway services. Some desired delivery the same day or over night with door to door service. Some were attracted by the simplified classification and the lower trading and packing requirements; and, third, others liked lower rates.

"The railroads have to meet all competition at all three of these points. They can only do it if legislatures co-operate. The main objective is the corrective legislation. The railroads should be allowed to compete on an even basis. A secondary objective would be to pursue existing competition actively to protect or improve the net position of railroads without adopting fixed policies which might stabilize existing uneconomic conditions. Legislation should be non-discriminatory as between contract and owner carriers and there should be reasonable legislation based on the potential use of the highways with charges for what such use is worth.

"Should provinces establish local zones this would not put trucks off the highways if proper rates were established and adhered to on a good basis and if the trucks had to conform to proper regulations as to loads, those suitable for the business should make an excellent profit. It goes without saying that if the governments charge what the privilege of using the highways is worth, the trucks doing a general long distance business would charge much more than they are doing now. If the trucks charge what they really say they are charging, they would make money over this sufficient to make a good profit. It is the secret charge which is bedevilling the whole transport business.

Kootenay Nevada Pushes Underground Development

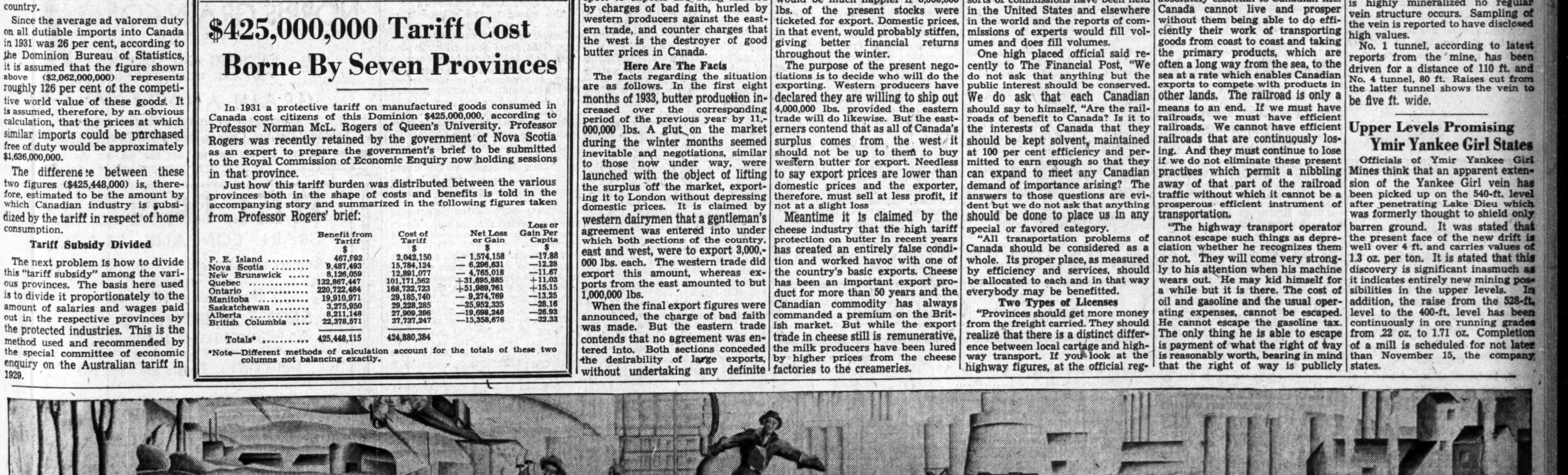
Kootenay Nevada Mines which is actively developing a group of nine claims near Nelson, B.C., reports that shaft sinking has now been completed to a depth of 230 ft. with a station cut at 100 ft. Lateral work on this level is proceeding and to date drifting has been completed for a distance of 120 ft. west and 60 ft. east.

The west drift encountered high grade ore and while the east drift is highly mineralized no regular vein structure occurs. Sampling of the vein is reported to have disclosed high values.

No. 1 tunnel, according to latest reports from the mine, has been driven for a distance of 110 ft. and No. 4 tunnel, 80 ft. Raises cut from the latter tunnel shows the vein to be five ft. wide.

Upper Levels Promising Ymir Yankee Girl States

Officials of Ymir Yankee Girl Mines think that an apparent extension of the Yankee Girl vein has been picked up on the 540-ft. level after penetrating Lake Dieu which was formerly thought to shield only barren ground. It was stated that the present face of the new drift is well over 4 ft. and carries values of 1.3 oz. per ton. It is stated that this discovery is significant inasmuch as it indicates entirely new mining possibilities in the upper levels. In addition, the raise from the 528-ft. level to the 400-ft. level has been continuously in ore running grades from .22 oz. to 1.71 oz. Completion of a mill is scheduled for not later than November 15, the company states.



"Canada Builds a Great Nation" is the title of a remarkable mural painting just completed by Carl Mangold, a Montreal artist. Depicting nearly every phase of Canada's economic life, this huge canvas expresses something of the feverish spirit of progress in this young and growing nation.

The mural was commissioned by Canadian Industries, Limited. It is now on exhibit in that company's display at the Canadian National Exhibition, Toronto, and The Financial Post understands that it is likely to be displayed in other large cities from coast to coast and may ultimately find a suitable resting place in the company's head office in Montreal.

Against a dramatic background of mine shafts, aviation hangars, grain elevators, smelters and chemical plants, skyscraper steelwork and waterfront activities, twenty-six figures typifying industry and agriculture ply their callings. The figures include steel workers, ship painters, smelter crews and chemical workers, a Canadian hunter, aviator and railway worker, and a group of farmers in a harvesting scene with the latest in modern farm equipment.

The mural is over thirty-five feet in length and nine feet high. The artist is a Swiss painter of the modern school, who has been resident in Canada for the past five years.

The Financial Post presents this reproduction of the picture, first, because it is a strikingly artistic presentation of Canada's economic life and, secondly, because the commissioning of it indicates the notable contribution that large Canadian business enterprises can make to the development of the artistic genius in Canada.

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Business Wanted

FIRM WITH LONG AND SUCCESSFUL manufacturing and selling experience is in a position to add a new line capable of national and export development. Will invest in or buy outright; preferably in old established business of high repute where owners are thinking of retiring. Address in confidence. Box 222. The Financial Post.

Mortgage or Partnership Wanted

$75,000 PROPERTY, LAURENTIAN MTS. C.P.R. line near St. Agathe. Water front. Includes 50 room hotel, 30 cottages, camp, dance hall, refreshment stand and grocery. Modern, equipped. In actual operation. Proved success. Wanted $9,000 mortgage or partnership. Will rent to suitable parties in whole or part. Box No. 27, The Financial Post, 481 University Avenue, Toronto.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 29th September, 1934, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Monday, the 1st day of October, 1934, to shareholders of record of the 20th September, 1934.

By Order of the Board.

DUDLEY DAWSON,
General Manager.

Toronto, 16th August, 1934.

Acme Glove Works Limited

Notice is hereby given that a dividend of 1⅝% (ONE AND FIVE EIGHTHS PER CENT) has been declared on the First Preferred Shares of the Company, and that the said dividend, amounting to 81¼c. (EIGHTY ONE AND ONE QUARTER CENTS) per share, will be paid on the 15th day of September, 1934, to the shareholders of record at the close of business on the 31st day of August, 1934.

By Order of the Board,

A. LEPINE,
Secretary.

DIVIDEND NOTICE

Canadian General Electric Company, Limited

Preference Dividend No. 98

Notice is hereby given that a dividend of 1¾% for the quarter ending September 30, 1934, being at the rate of 7% per annum, has been declared on the Preference Stock of the Company.

Common Dividend No. 119

Notice is also hereby given that a dividend of 75 cents per share for the quarter ending September 30, 1934, being at the rate of 6% per annum upon the par value of the stock, has been declared on the Common Stock of the Company.

The above dividends are payable on October 1, 1934, to shareholders of record at the close of business on September 15, 1934.

By Order of the Board.

W. H. NESBITT,
Secretary.

Toronto 2, August 23, 1934.

The Bell Telephone Company of Canada

NOTICE OF DIVIDEND

A dividend of one and one-half per cent (1.50%) has been declared payable on the 15th of October, 1934, to shareholders of record at the close of business on the 22nd of September, 1934.

F. G. WEBBER,
Secretary.

Montreal, August 22nd, 1934.

Canada Permanent Mortgage Corporation

Quarterly Dividend

Notice is hereby given that a Dividend of TWO PER CENT for the current quarter, being at the rate of

EIGHT PER CENT PER ANNUM

on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

MONDAY, THE FIRST DAY OF OCTOBER

next, to Shareholders of record at the close of business on the Fifteenth day of September, 1934.

By order of the Board.

WALTER F. WATKINS,
Secretary.

Toronto, August 22nd, 1934.

Belding-Corticelli Limited

DIVIDEND No. 79

Notice is hereby given that on the Preference Stock of this Company, the Directors have declared a Quarterly Dividend of 1¾%, payable on the 15th day of September to Shareholders of record at the close of business the 31st day of August, 1934.

By Order of the Board,

D. F. POLLOCK,
Secretary.

Associated Breweries of Canada Limited

DIVIDEND NOTICE

NOTICE is hereby given that a Quarterly Dividend (No. 24) of 1¾% upon the outstanding Preference Shares of the Company has been declared, the said dividend to be payable on or after the 1st day of October, A.D. 1934, to Shareholders of record at the close of business on the 15th day of September, 1934.

By Order of the Board.

J. G. WALFORD,
Secretary-Treasurer.

Calgary, Alberta,
August 28th, 1934.

WOULD REVAMP HARDING CARPETS; POSITION BETTER

Propose Only Common Stock Capital; Earnings Higher

A scheme of reorganization for Harding Carpets Ltd. of Brantford, Ont., proposed in a letter issued to shareholders early this week, envisages placing 92.6 per cent of ownership in the hands of preferred shareholders. The plan calls for creation of a capital consisting only of common stock. New common shares would be issued to preferred shareholders, 20 for each present $100 preferred share and to present common stockholders share for share.

A meeting of shareholders will be held at Brantford on Sept 25 to consider the plan.

Present issued capital of Harding Carpets consists of $750,000 in $100 preferred shares and 20,000 no par value common shares. Of the latter, 7,500 shares were issued to preferred stockholders in 1928. The plan would create an issued capital of 170,000 no par common shares. Of these 157,500 would be held by preferred stock interests. The proposed new authorized capital is 300,000 shares.

To Capitalize Dividends

The purpose of the proposed reorganization is to capitalize the 49 per cent of arrears of preferred dividends, a payment never having been made on the shares; to make balance sheet adjustments, and at the same time to simplify the capital structure. Of the 20 new shares proposed to be issued for each present preferred share, 14 are for capital and six for arrears of dividends. The proposed balance sheet adjustment consists of setting up some $100,000 of additional depreciation reserves, and writing off $38,595 in deficits and $36,052 of organization expenses. This would leave some $777,000 of capital and capital surplus at which figure the proposed 170,000 new shares would be carried in the balance sheet, or a book value of $4.57 each.

Position Better

Substantial improvement in the company's earnings is reported by A. E. Cuthbertson, president, who states to shareholders: "For the first half of the 1934 fiscal period (to April 30) we show a net profit of $18,197 after providing for income tax and depreciation at the full rate allowed by the Dominion income tax department. The business now on the books indicates that for the balance of the year 1934 we should be able to continue at that rate of profit."

This would indicate anticipation of earnings of over 21 cents a share on the proposed new stock this year. Earnings may actually be considerably higher than those estimated by Mr. Cuthbertson, it is understood. This will be the first year in which the company has enjoyed a substantial profit after providing reserves.

The company has improved its working capital position very materially this year, The Financial Post is informed. At Oct. 31, 1933, the end of the last fiscal year, working capital was $88,820. The profits disclosed by Mr. Cuthbertson for the six months to April 30 indicate an increase of over $30,000 in working capital at that date and this is believed to have continued.

The proposed rearrangement of capital and elimination of arrears of depreciation would allow earlier consideration of dividends on the mooted new shares, it is stated. The dividend bait, however, is not being held out as an inducement to shareholders.

SALE

Province of New Brunswick, Canada

Four Per Cent. Debentures
$1,100,000.00
Twenty Years

The Government of the Province of New Brunswick, Canada, will receive tenders up to 3 o'clock P.M., A.S.T., on the sixth day of September, 1934, for $1,100,000.00 Province of New Brunswick Four Per Cent Debentures as follows:

Debentures to be dated the first day of September, A.D. 1934, due the first day of September, A.D. 1954, bearing interest at the rate of four per centum per annum payable half-yearly on the first day of September and the first day of March, Principal and interest payable in lawful money of Canada at the office of the Provincial Secretary-Treasurer, Fredericton, N.B., or at the Bank of Montreal in Halifax, Charlottetown, Saint John, Montreal, Toronto, Winnipeg or Vancouver, Canada.

DEBENTURES to be in the denomination of $1,000.00 or $500.00 at the option of the Purchaser with coupons attached and may be registered as to principal only. Full payment for Debentures to be made at the Bank of Montreal, Fredericton, N.B., upon delivery of Interim Securities at said Bank.

INTERIM SECURITIES to be exchanged for Definitive Engraved Debentures on completion. Definitive Debentures to be delivered to the purchaser at place named by him.

SEALED TENDERS ENDORSED "TENDERS FOR PROVINCE OF NEW BRUNSWICK DEBENTURES" should be addressed to the PROVINCIAL TREASURER, FREDERICTON, NEW BRUNSWICK, CANADA.

Tenders must be for the amount offered and must be accompanied by a marked cheque for $10,000.00 to be applied in the case of the successful tenderer as part payment for the debentures.

All bids to be made in Fredericton Funds.

The above Debentures will be issued for the following purposes:

Hard Surface Roads...	$600,000.00
Unemployment Relief..	100,000.00
Electric Power Commission	400,000.00
	$1,100,000.00

and authorized by Acts of the Legislative Assembly of New Brunswick.

Sinking Funds will be provided to meet payment of fifty per cent of above bonds at maturity date.

The highest or any tender not necessarily accepted.

ANTOINE J. LEGER,
Provincial Secretary-Treasurer.

Fredericton, N.B., August 23, 1934.

Grain and Milling in Canada

Wheat

Market Awaits Demand

WINNIPEG—The Winnipeg market is for the moment lacking in bullish sentiment, content if the market can hold the current level of prices until the actual development of world wheat demands this year is clearer. Lack of heavy shipments down the lakes has been disappointing as indicating that the export demand is not developing as rapidly as was hoped would be the case, although to some extent the shipments made out of Churchill, although not very great in quantity, account for this. It still appears to be a reasonable assumption that there may be an export outlet for a quantity equivalent to the whole Canadian production this year, leaving domestic requirements and carryover to be provided from the carryover, which might well be reduced during the year by as much as 100,000,000 bus.

* * *

Doubt Over Government Position

DOUBT as to the course the Dominion Government may take in the market is responsible for some of the hesitation displayed by traders. It might either decide to sell boldly in order to bring the Canadian price sufficiently in line with that of the Argentine to effect quantity sales during the next few months, while on the other hand, it might decide to resume a policy of purchasing wheat in order to sustain the price on the Canadian market. Mr. McFarland has been in London engaged in negotiations in connection with the London wheat agreement, which are known to have failed, and buyers, both importers overseas and traders, are watching the situation for any indication of policy developments which may have resulted.

* * *

Effect of U.S. Hesitation

THE Winnipeg market is also influenced by hesitation in the United States. Total supplies of wheat in that country will grow steadily less as consumption proceeds, but whether consumers can stand a higher level of prices, or whether farmers will be in a position to hold their wheat strongly in the hope of higher prices, is still a matter of doubt. Heavy rains have taken place over much of the drought stricken wheat territory of the United States, and the situation is being closely watched by observers to see whether or not prospects of average production in that territory for next year have yet been restored.

* * *

Durum Exports to U.S.A.

EXPORTS of durum wheat from Canada to the United States have begun, and United States interests have been contracting for additional supplies, which may either be shipped to the United States or forwarded to Italy, depending upon the most favorable offers received. There is a real world shortage of durum wheat and the United States could easily absorb the whole Canadian supply and still leave macaroni manufacturers there short of their usual supplies.

Italy is the chief market, which in the past has absorbed nearly all the durum wheat produced in Canada, and reports indicate that Italy's needs will be fairly extensive this year. But the Italians may yet find it possible to fill their requirements in Russia, if the high prices for durum wheat persuade Russia to part with some of this wheat, which might otherwise be kept at home.

* * *

Durum Prices High

DURUM wheat is grown extensively in Russia, and it is used there in bread making, although but little used for that purpose in other parts of the world. Durum premiums might reach a point at which it would pay Russia to let some of this type go, and replace it with corresponding quantities of Argentine wheat, so there are limits to the spread in value which can be looked for.

At the moment No. 1 durum is worth approximately 10 cents a bushel more than No. 1 northern on Winnipeg market. Most of the West's durum wheat is grown in Manitoba, where farmers took to the growing of a type of wheat normally worth less than standard bread varieties because it was comparatively immune to rust, to which their districts were subject.

Asbestos Output Lower

The production of asbestos, (crude, fibres and shorts), in Quebec Province in the second quarter of the year amounted to 37,501 tons

LOW WHEAT GRADE MAY HELP CANADA INCREASE EXPORTS

Will Enable Competition on Price Basis in Orient

From Our Own Correspondent

WINNIPEG—Because of frost in northern districts it seems likely that there will be more low grade grain in the western crop this year than for some years past. Curiously enough, that may actually make it easier to export large quantities of Canadian wheat this year than if all the wheat were of uniformly high grade, by providing a lower priced product which can compete on a price basis with the Argentine in markets where comparative price is all-important.

Canadian exports of wheat to China, for example, have reached large volume only when there large quantities of low grade wheat available. That is not because the Chinese demand low grade flour, or have not a high appreciation of quality. When the Chinese mills buy Canadian wheat now, when we are furnishing only a small part of their supplies, they take a good deal of No. 1 Hard. But price relationships between Liverpool and Shanghai, Vancouver and Melbourne, due largely to the fact that the cost of freighting wheat from Australia to Shanghai is much less than sending it to Liverpool, are such that high grade Australian wheat is usually cheaper in Shanghai than is high grade Canadian wheat.

Compete on Price Basis

Mills there do the bulk of their import purchasing in the cheapest market, while buying limited quantities of highest grade Canadian wheat to lend quality to the flour milled. High gluten content is an important quality to Chinese purchases of flour, for usually little bread is baked, and flour is mainly made into dough-balls, noodles, and similar products, in which the gluten is highly useful to hold the material together. But when Canada has only high grade wheat to offer, this country's wheat is likely to be undersold by Australia and the Argentine to such an extent as to make quantity sales difficult.

In former years No. 3 northern was a standard grade in which a great deal of business was done with Great Britain, and also markets on the continent.

Wheat Estimates May Move Higher Other Grain Down

From Our Own Correspondent

WINNIPEG — As threshing proceeds in Western Canada, uncertainty as to the total production of grain increases. Daily reports are received from scores of different points indicating yields substantially different from those earlier anticipated, in some cases larger and in others smaller. It seems probable that the wheat yield may be somewhat above expectations of a couple of weeks ago, but that the coarse grains out-turn may be even smaller than was feared.

There is a tremendous contrast between heavy yields in Northern Saskatchewan and the complete or partial failure in the southern part of that province, and the mediocre yields of a good deal of the central territory. In Manitoba the out-turn in the Portage la Prairie district is remarkably good, with yields correspondingly poor in other parts of the province. While Alberta's yield will be decidedly smaller than the out-turn which was predicted in all confidence at an earlier date, there is still much good crop in that province.

Frost last week caught a great deal of standing crop in Northern Alberta, and a severe drop in grade of much wheat will be the inevitable result. Saskatchewan and Manitoba, although some frost was experienced, got off much more lightly. A good deal of rust damage is being unexpectedly disclosed in some of the heavy northern crops, and yields will in consequence be cut to some extent.

Key Facts About Wheat

	Week bu.	Previous Week bu.	Same Week Year Ago bu.
Canadian Wheat in Store:			
Fort William, Aug. 24	53,933,031	54,225,343	61,197,964
Country elevators, Aug. 17	64,154,131	63,538,649	70,507,639
Total, all points, Aug. 17	185,669,112	187,231,597	191,534,647
World Shipments, incl. flour, Aug. 21:			
North America	4,561,000	3,953,000	3,486,000
Argentine	3,494,000	6,133,000	3,047,000
Black Sea*	8,000	200,000	248,000
Australian	2,209,000	826,000	2,481,000
Total, world	10,752,000	11,712,000	9,622,000
Visible Stocks:			
United States, Aug. 21	114,752,000	112,958,000	137,885,000
Argentine, Aug. 21	18,370,000	19,105,000	12,492,000
Country Marketings and Exports:†			
Canadian exports, Aug. 17	3,028,872	2,754,148	2,808,904
Cum. to Aug. 17 (2 weeks)	5,783,020	....	5,696,277
Prairie marketings, Aug. 10	1,509,147	1,502,700	1,526,250
Country deliveries, Aug. 24‡	8,943,000	3,271,000	9,549,000
Country loadings, Aug. 24‡	7,603,000	3,612,000	9,003,000

*Includes So. Russia. †Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to Aug. 28, 1934

Crop year from Aug. 1, 1934 High	Low		Open Aug. 22	High for week	Low for week	Close Aug. 28
		Wheat				
.95	.84⅜	Oct.	.85⅞	.86⅛	.80⅛	.81
.97	.85½	Dec.	.87¼	.87¼	.81¾	.82⅛
1.00½	.85½	May	.91¼	.91¼	.85½	.85
		Oats				
.47⅜	.40⅜	Oct.	.46⅜	.47¼	.44⅛	.45¼
.47⅝	.40⅛	Dec.	.48½	.47⅞	.44⅜	.44⅞
.49⅝	.41⅛	May	.47⅝	.48	.45⅜	.46
		Barley				
.64	.49⅜	Oct.	.61	.64	.58⅛	.58⅛
.63	.51	Dec.	.62⅛	.62¼	.57⅜	.57⅜
.63⅜	.57¼	May	.61⅞	.62¾	.60½	.59½
		Flax				
1.73½	1.60	Oct.	1.64	1.66¾	1.61½	1.62½
1.74¾	1.60¾	Dec.	1.66½	1.67⅜	1.61¼	1.62½
1.73½	1.67	May	.....	1.73	1.67	1.68
		Rye				
.76½	.61¾	Oct.	.73⅛	.73⅛	.68½	.68¾
.77	.62⅞	Dec.	.74½	.74½	.68⅛	.69⅝
.80⅛	.71¾	May	.77½	.77½	.72	.72½

European Crop Outlook Reduces Bullish Pressure

Recent Crop Reports Better — Long-term Outlook Points to Possible Shortage of Foodstuffs if 1935 Crops Only Normal

From Our Own Correspondent

WINNIPEG.—The wheat market during the past week has been exposed to a swirl of conflicting forces, with a resultant tendency to leave prices to be settled more on the basis of current business transacted in cash wheat than on the speculative prospects for the future, in spite of some highly bullish possibilities for the long-range view. There is somewhat less desire to make forward commitments than existed a few weeks ago, and the effects of the North American drought appear for the moment to have been discounted fairly completely by the market.

The European situation appears to be somewhat less bullish than was expected a month or so ago. The fact is that Germany is dropping her import duties on cereals in an admission that domestic supplies of food and feed are short, but the step has been accompanied by a tightening up of restrictions on exchange for purchase of imports, and a campaign of economy designed to reduce the need for imports of all kinds to a minimum. Quite evidently the dumping of German soft wheat in the British market is not a factor to be feared this year, but it is also highly uncertain to what extent the import of Canadian hard wheat will be found practicable.

France's Policy Disappoints

The announcement that France intended to persist in a policy of subsidized exportation of wheat was a disappointment to the market. It had been thought that the reduced French crop of this year would permit the absorption in domestic consumption of the large carryover of wheat in France. But the use of wheat appears to have been checked by the high price imposed by government regulation, and local flour and wheat markets are still demoralized by attempts of farmers to dispose of wheat, and willingness to sell at less than the maximum prices established by law.

Although the government has already lost $28,000,000 by buying wheat at the fixed price and selling it abroad for whatever it will bring, plans are announced for carrying on this policy still longer, in the hope of bringing about such a balance of supply and demand as will enable the legal minimum price to be maintained without difficulty.

European Crops Higher

Grain production in the Danubian countries appears to have been somewhat higher than the extremely pessimistic predictions of a month or so ago, but still hardly large enough to permit of exports of any consequence, although that portion of Europe will probably be slightly more than self-sufficient in food. The rye crops of northern Europe are distinctly lower than last year, but although the continent as a whole will have to draw largely on internal reserves during the crop year just commenced, it is evident that nothing approaching real scarcity is in sight.

Reports from Russia are highly conflicting, but it appears likely that there will be even less wheat available for export from that country than last year, and that rye and barley also can with difficulty be spared.

World Exports Greater

World wheat trade for the year has started off at the level of about 11,000,000 bushels weekly; sufficiently higher than that of the corresponding period of last year to make reasonable the currently accepted estimate of 560,000,000 bushels for the year's total, which, although it is substantially higher than that of the previous year, is still to be regarded as a small figure. The principal possibility for a material increase over that figure appears to lie in needs of China for wheat imports, if the various crop disasters reported turn out to be as important as now indicated. It is also possible that as the season develops it will be found that European crops of potatoes and other vegetables have been sufficiently reduced to create an enlarged demand for bread-stuffs.

It still remains the case that the end of the current crop year is likely to see world carryovers of wheat down to proportions that are not burdensome. A condition of short supply might easily develop in the following year should world crops fall short of average yields, while on the other hand abundant yields might again establish a condition of surplus. But on the whole the odds seem rather against the early emergence of another surplus.

Smaller Future Acreages

Wheat acreages appear to be definitely down for some time in Canada, in the United States and in Australia. The latter country seems to have decided it is unprofitable to attempt to raise wheat on the scale that was attempted for a few years. In the United States extensive abandonment of lands formerly seeded to wheat seems likely both in spring wheat areas, and in the winter wheat states of the southwest. Up to the time that the drought was broken by extensive rains over a large part of the central states a condition was shaping up under which the United States was due for another extremely short winter wheat crop next year, and might have to become an extensive importer.

Without heavy precipitation, work on the dried out lands of the winter wheat belt in preparation for another crop would have been to a large extent impossible, while lack of moisture in the ground to ensure germination and fall growth might have prevented a good deal of seeding at the normal time. Continuation of the drought for a few weeks more might well have led to a runaway wheat market in the United States, with a very strong influence on other markets. Once it was relieved, however, some of the speculative transactions undertaken with that possibility in mind were wound up, and traders retired to await further developments.

From the standpoint of total world food supplies the small corn crop in sight in the United States is one of the most important factors. But its effects must be considered on the long term basis. Immediately, the demand for corn is being reduced at a tremendous rate by the forced slaughter of cattle and sheep in drought stricken areas where there is no pasture to carry stock. Temporarily, that is glutting meat and by-products markets, but that condition must be succeeded by one in which there is a comparative scarcity of meat in the United States, while the replenishment and rebuilding of herds is undertaken. Even more emphatically than is the case with wheat, the United States is consuming food reserves of meat.

The corn harvest, therefore, although deficient to the extent of from 700,000,000 to 1,000,000,000 bushels from the size of a good crop, may yet serve, along with reserves of corn on farms, to carry the country through another crop year, and this is especially the case as the lateness of the corn harvest makes its crop year overlap that of other crops. But the deficiency in human food production as the result of this year's corn crop is bound to show up sooner or later, quite possibly to the extent of forcing the United States to draw heavily on other countries for food supplies.

Thus, as the background of the wheat situation, instead of a condition of permanent surplus, there is a change not to the danger of shortage, but to the possibility of shortage. In the foreground there are still plentiful supplies, but as these are gradually used up during the current year the back-ground is likely to become increasingly important.

STRIKE IN AFRICA CUTS FEED SUPPLY OF EASTERN FARMS

Think Western Coarse Grains Will Replace Maize in Canada

From Our Own Correspondent

OTTAWA.—A dispute regarding enforcement of contracts in South Africa appears certain to throw a considerable market in eastern Canada for live stock feed to the coarse grain producers of the west.

Information received by the Trade and Commerce department is to the effect that a breakdown is inevitable in the importation of South African maize. It follows that eastern livestock farmers who have been using the South African product for feed, will have to look elsewhere. And as the Ottawa treaties placed duties on Indian corn of 20 cents per bushel Intermediate and 25 cents per bushel General tariff (South African maize enters duty free) it is believed that domestic feed will be in greater demand.

Pool System Breakdown

The tie-up in the shipments of South African maize is arousing interest, not only because of its effect upon the local feed situation but because it indicates a breakdown in the pool system of handling agricultural products. The dispute between the South African growers and their co-operative societies, in fact, is occasioning alarm in the United Kingdom, where in the absence of an early settlement severe commercial losses will be inevitable. Representations have been made by the London Corn Exchange to the South African government, which is now considering a policy of governmental intervention.

Reports reaching the department are to the effect that the maize growers of South Africa are members of co-operative societies which function as pools. The farmers are under contract to ship to these societies and the receipts from the sale of the crop are spread on a bushelage basis over all the growers. This year's crop was placed at six million bags (200 lbs. to the bag), and at the beginning of the harvest season the price was low. As the season advanced the price rose sharply and with some 1,500,000 bags delivered, it became apparent that farmers were determined to break their contracts.

U. K. Worried

Thus, the societies have sold and are under contract to deliver some 4,500,000 bags of maize which they cannot obtain because the farmers refuse to surrender. Meantime the purchasers of the maize in Great Britain are confronted with damage action for non-fulfillment of contract.

The viewpoint of the growers, apparently, is that they are entitled to current prices and should not be compelled to ship on the pool basis.

Canada's Imports

The reaction in Canada, according to officials, will be interesting. In recent years there has been, on average, a large importation and with the granting of the tariff preference in 1932, the intention was to turn this market over in toto to South Africa. imports have been uneven, depending, apparently, upon the local feed supplies but in 1933, 4,334,499 bushels of South African maize were imported. In 1934 (fiscal year) the total was down to 198,759 bushels, but this year, due to short feed crops, it was expected a new high would be achieved.

Ordinarily, Canadian farmers would draw on Argentine or the United States, but the duties are practically prohibitive and the probabilities are that western coarse grain will be in demand.

Walker's Peoria Plant at 33 p.c. of Capacity

Operations are at 33 per cent of capacity at the Peoria distillery of Hiram Walker & Sons, Inc., subsidiary of Hiram Walker-Gooderham & Worts, it is understood. The distillery was operating at about 12½ per cent of capacity in the first week of July, and stepped up to about 25 per cent later in the month. At the rated capacity, present production should be about 35,000 wine gallons of spirits daily.

Low cost, fast matured Peoria whisky is now being marketed in the United States under the brand name "Royal Oak" thus bearing out The Financial Post's exclusive forecast made some weeks ago. Production at Peoria is reported to be in excess of sales so that warehouse supplies are being built up.

Frosts Damage Prairie Crops In Some Areas

Frosts damaged wheat crops in central and northern Alberta and parts of Saskatchewan last week, according to the weekly report of the Dominion Bureau of Statistics issued Aug. 28. Across Canada, harvesting is under way and some sections benefitted last wek from rain.

In both British Columbia and Nova Scotia the apple crop is ripening well while potatoes in New Brunswick and P.E.I. are stated to be satisfactory. In Ontario and Quebec there has been considerable loss through drought but recent rains have been helpful.

Summary of conditions in the wheat belt follows:

Cutting is nearly completed in Manitoba and threshing is general. In Saskatchewan, cutting is completed in southern districts and well advanced in central and northern areas. Harvesting is progressing without serious interruption in southern and central Alberta and is getting under way in Northern Alberta.

Frosts during the past week damaged crops in central and Northern Alberta and in parts of Saskatchewan. In northern Alberta both yield and grade will be affected.

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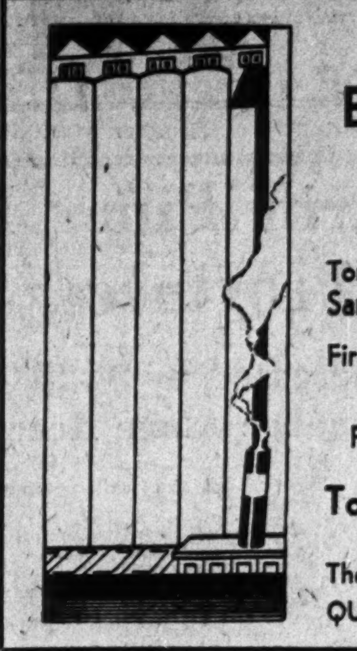

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Your Investments

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Canadian Goodrich

I hold shares in Canadian Goodrich and would like to know how the company has been doing recently and the prospects.

Canadian Goodrich Co., Kitchener, sales for the year ended December 31, 1933, were $2,214,323 as compared with $2,322,234 for 1932. Trading profit was up from $214,965 in the previous year to $223,832 and was further enhanced by $21,304, income from other sources. After interest and depreciation of $188,989 there was a net loss for the year of $97,683 which brought the accumulated deficit to $1,927,539 for 1933. During that year the president stated that the domestic business showed a gain, but export shipments continued to decline because of adverse exchange. With the addition of a new tire line he expected more sales in the tire division, but rapidly increasing imports of rubber and canvas footwear from the Far East were expected to interfere with other manufacturing activities of the company. The liquid position of the company at the end of 1933 was reported as very strong with current assets of $2,133,238 as against current liabilities of $477,307 leaving a working capital of $1,665,931 or a ratio of 4.47 to one. Loans from the associated company, B. F. Goodrich Co. of Ohio, were reduced during 1933 from $1,696,133 to $1,500,000. First mortgage bonds were also reduced substantially. The common share equity is estimated as being worth $3.20 per share or $272,772 behind the 85,885 no par value common shares outstanding.

Canada Malting

As a subscriber I would ask for any up-to-date information you may have on Canada Malting as an investment and as a possibility of a fair rise in price.

Reports would indicate that Canada Malting will report another very satisfactory year, from its books which were closed on July 31 last. The report should appear late in the fall. Both export and domestic business, it is understood, have been better than last year. During the first of the last fiscal year, exports were not large, but when the substantial premium on United States funds then prevailing was added, the business was reported as very valuable. As the premium declined, exports increased so that the total return remained about the same.

Malt supplies, the principal output of the company, have been on the short side in the United States and the duty has remained stationary, although Canadian authorities are not hopeful of it remaining so, once American supplies increase to the point where they can fill the demand. The serious drought experienced in the chief barley centres of the U.S. this year, however, will probably result in a continuation of the export demand from this country for some time. In the meantime, the freer sale of beer in Ontario is expected to take up the anticipated falling off in demand from the United States for Canadian malt.

Earnings of this company have been maintained through the depression. For the year ended July 31, 1933, $2 was earned on the common shares and $1.50 paid. In 1932 $1.39 was earned and $1.12½ paid and in 1931 $1.51 earned and $1.50 paid. This company is in an exceedingly strong liquid position with current assets exceeding current liabilities by $1,861,120 for the year ended July 31, 1934. For the fiscal year just ended it is understood that earnings have equalled, if not exceeded, the year previous.

Dominion Bridge

It will be greatly appreciated if you will let me have your views on the stock of Dominion Bridge Co. This security has been highly recommended to me and I am considering making a small investment in it.

Dominion Bridge Co.'s operations have naturally been affected by the dropping off in new construction. The last two years have been rather lean ones for the company, but the outlook over the next twelve months is rather encouraging. The Dominion Government's programme of public works should provide the company with a substantial amount of business.

With an organization located in most of the strategic points in the Dominion, the company is in a fine position to benefit by any upward swing in new construction and engineering projects.

Central Bank of Canada

Will you please favor me with your opinion pertaining to selling Government bonds which are at a premium and buying the $50 shares in the new central bank when offered in January at 4½ per cent? Would this stock likely advance to $60 in a short time?

No very definite information in regard to Bank of Canada shares is yet available. It is understood, however, that the shares will be offered to the public by the Minister of Finance at par of $50 per share. The act provides that the initial payment on each share shall not be less than $12.50 and any further installments must be paid within a period of 12 months. No one person may hold more than 50 shares.

It is impossible to say whether these shares will be listed on the Montreal or Toronto stock exchanges but in any event, it would appear that there will be a fairly active demand for them through brokers. Since there will be only 100,000 shares outstanding and these will probably be held for investment after the first speculative flurry has subsided, it does not appear that there will be a great deal of trading in the stock of the bank.

It is also understood that applications for Bank of Canada shares rave been pouring into Ottawa for several months. No definite plan for allotment has yet been worked out although it is believed that geography may play some part in the formal plan. It is by no means clear whether you would be able to purchase sufficient shares in the new bank to equal your present investment in Government bonds, nor is it clear yet whether the income from these Government bank shares will be very much higher than from other Dominion Government securities. Most central banks, however, are able to earn big profits.

Abitibi

I notice that Abitibi 5's are now quoted at 30, whereas a few weeks ago they were up to about 46. What has caused this sudden drop in the value of the bonds?

The advance in price of Abitibi first mortgage bonds was due to a report that a plan of reorganization was under way, which would place a value of between 50 and 60 on the old bonds. Due to legal difficulties, negotiations for the reorganization of the company were dropped for the time being, with the result that speculative interest in the first mortgage bonds dropped off and values declined. The difficulty encountered in connection with the rehabilitation of this company is due to the fact that the bonds are covered by a trust deed of the American type. Legislation has been, or will be enacted which will enable the company to carry out a reorganization under Canadian laws.

McColl-Frontenac

Please let me have a report on McColl-Frontenac Oil Co. preferred stock. I am considering the purchase of a few shares of this issue.

McColl-Frontenac Oil Co. has maintained consistent earnings on its preferred stock, the trend ranging from $15.19 to $17.69 a share during the last three fiscal years. This compares with the dividend requirements of $6 a share. In the last few years this company has strengthened its financial position and the report for the fiscal year 1934 showed an excess of current assets over current liabilities amounting to approximately $5,500,000. Operations of the company have continued to expand, judging by the fact that recently the company completed installation of an additional unit in the Montreal East refinery which more than doubled the capacity of the plant.

Porto Rico

Have you any recent information on Porto Rico Power Co.? The last statement I have seen is that for 1932, but I understand that the report for 1933 is about ready.

Porto Rico Power Co., subsidiary of International Power Co., experienced an increase in earnings last year. After taking care of operating expenses, taxes, depreciation, and interest charges, the balance available for distribution on the preferred stock was equivalent to approximately $42 a share, or about six times the amount required for the dividend. In the previous year the company experienced a substantial loss due to hurricane damage, but even after taking into consideration this charge, the balance available on the preferred stock was more than sufficient to take care of the dividend, though the payment of a dividend on the common stock left a small deficit on the books. While the balance sheet of the company for 1933 is not available, a preliminary report would indicate that the company has taken further action in reducing its bank loans, which at the end of 1932 amounted to $675,000.

Whittall Can

I would appreciate receiving from you a report on the Whittal Can Co. I believe that this organization has experienced some improvement over the last year.

Whittal Can Co., experienced some financial difficulties in connection with its canning subsidiaries. The affairs of these companies, however, have been straightened away. In the fiscal year ended February 28, 1934, Whittal Can reported net earnings of $287,557 and a net profit of $192,458. This was equivalent to $10.13 a share on the preferred stock, as against dividend requirements of $6.50. During the past year the net working capital position of the company was improved to the extent of $201,385. From October 1, 1931, to April 1, 1933, the dividend on the preferred stock was deferred but in July, 1933, payments were resumed. Early in the year the president of the company stated that he looked for a moderate improvement in business during 1934.

Dominion Coal

As a subscriber to your paper I would appreciate a report on the Dominion Coal Co. I bought some of this company's preferred stock at a relatively low price and was wondering whether it would be advisable to continue holding or to take a profit.

The outlook for Dominion Coal Co. this year is probably more favorable than for the last five or six years. You may recall that in 1933 the company reported substantial improvement in the volume of production, while earnings on the preferred stock were in excess of the dividend requirements for the first time in several years. Unofficial reports on current operations are to the effect that the volume of production this year should be at least 25 per cent greater than in 1933. Consequently it is to be expected that earnings on the Dominion Coal preferred stock will be well in excess of $7 a share on the preferred stock.

It is generally understood that some of the large preferred shareholders of Dominion Coal Co. have under consideration a plan whereby the company will be relieved of its obligations in respect to dividends. These arrears now aggregate approximately 75 per cent and it is reported that a scheme will be put before the management for consideration whereby these arrears will be wiped out by the issuance of additional preferred stock.

National Telephone

I have recently been offered some shares in the National Telephone and Telegraph Corp. and before making a commitment would like to have your views on this stock.

National Telephone and Telegraph Corp. is a holding company controlled by Associated Telephone and Telegraph Co. It owns practically all of the outstanding ordinary shares of British Columbia Telephone Co. and has a substantial interest in a number of other British Columbia companies, as well as owning indirectly controlling interest in the Philippine Telephone Co. and all of the capital stock of the Dominican Telephone Co. General income account shows that the company covered the dividend on the class A stock during 1933, but in 1932 there was a small deficit.

Viau Biscuit

Can you tell me why Viau Biscuits common stock is selling at such a low price? I would like any information you may have on this concern.

The present low market price for the common stock of Viau Biscuits is readily understood by an examination of the company's balance sheet and income statements for the past few years. There was no equity back of the common stock in either 1932 or 1933, while in 1931 it amounted to only $2.05. During the same three-year period the company was unable to show anything like normal earnings. The dividend on the first preferred stock was earned in 1931, but was not earned in 1932 and 1933. The same applies to the second preferred, while there have been no surplus earnings available on the common stock in the last two years. Dividends on the first preferred were omitted late in 1932, and passed on the second preferred stock in 1931; and unpaid on the second preferred stock in 1932 and 1933. The balance sheet position of the company is fairly satisfactory, with working capital sufficient for all normal requirements. As far as current operations of the company are concerned, the president reported last March that there had been an improvement in conditions and prospects for the year were somewhat brighter than in 1932.

Canadian Pacific

In view of the more encouraging railway traffic reports, I would like to have your opinion on the prospects for the ordinary shares of Canadian Pacific Railway. Is there a likelihood of this company earning anything on its junior stock this year?

The Canadian Pacific Railway has experienced a moderate improvement in its operations and earning power since the beginning of the year. The report at the half year indicated that net operating income was on a somewhat larger basis than for the corresponding period of 1933. Prospects are that the export demand for grain will result in a substantial flow of traffic from the prairies this fall. In the event of a large grain movement, earnings of the company should register a further improvement. Present prospects are that the company will show a net income sufficient to take care of its fixed charges, together with the greater amount, if not all, of the preferred dividend.

The outlook for the Canadian Pacific Railway continues to be somewhat indefinite. Plans of co-operation between the Canadian National and Canadian Pacific Railway, as outlined by the Duff Commission, do not appear to be productive of very substantial savings. E. W. Beatty, chairman and president of the C. P. R., has been consistently advocating unification. This scheme does not find general favor at the moment. With the Federal elections taking place over the next twelve months, it is unlikely that the Dominion Government—that is, the present party in power—will take any steps to initiate a further discussion on the question of amalgamation.

Canada Steamships

Canada Steamship General Mortgage bonds have been recommended to me as a speculation. I understand that the company has experienced difficulties in recent years and there is a prospect of a capital reorganization. Can you let me have any information on this point?

Canada Steamship Lines operations in the last three or four years have been much below average. Gross income of the company has declined by more than half, with the result that difficulty has been experienced in meeting funded debt charges. Certain concessions have been made by the bondholders which have helped the company to carry on. The company also has outstanding heavy bank loans, but these are being whittled down.

As you may know, the general mortgage bondholders of the company have forced a protective committee with a view to devising some plan which would place the company on a sounder financial footing. This committee has been investigating affairs of the company for several months past and, we understand, it is the present intention not to make or recommend any changes until the company has had an opportunity of showing its earning power under more normal operating conditions.

Prospects for business this year are more encouraging than they have been for some time past. The volume of package freight, passenger business and hotel bookings so far this year is appreciably ahead of 1933. If the company is successful in securing the transportation of an expected large volume of grain for export from the head of the lakes, then earnings for 1934 will be larger than reported for some time. A great deal depends therefore, upon the grain shipping activities. Whether or not prospects will materialize, will not be known for another two or three weeks.

Gypsum Lime

Among my holdings is a small block of common stock of Gypsum, Lime and Alabastine. I am wondering as to whether or not I should continue to hold this stock and before coming to a decision would like to have your views on the matter.

Operations and earnings of Gypsum, Lime and Alabastine for the current year are understood to be on a better basis than that reported in 1933. While there has been no spectacular amount of new building, replacements and renovations have resulted in a fair amount of business for the company. At present Gypsum, Lime and Alabastine has no bank loans and it is hoped that results for the full year will show earnings sufficient to cover bond interest, depreciation, with a small surplus available for the common stock.

New Brunswick Telephone

Will you kindly let me have your opinion on New Brunswick Telephone common stock? In particular, I would like to know the dividend records of this security.

Earning power of New Brunswick Telephone Co. has tended to decline in the past three years in sympathy with the general business depression. Last year gross earnings amounted to $1,214,673 and after taking care of senior charges, there was a net profit of $263,884 available for distribution on the common stock. This was sufficient to cover the common stock dividend which is now on a basis of 5 per cent. Between 1916 and 1932 the company paid 8 per cent on its common stock. This rate was reduced to 6 per cent in April, 1932, and to 5 per cent in January, 1933.

St. Lawrence Paper

I have been a holder of St. Lawrence Paper Mills preferred stock for two or three years. It has been rather disappointing to me. I do not know whether or not to sell and would like to know if the prospects of the company are any better now than they were a year ago.

St. Lawrence Paper Mills operations in the last two years have not been particularly profitable. This has been due to two causes, namely, a decline in the volume of business and lower selling price for newsprint. In recent months, however, the position of the company has undergone some improvement and the operating ratio for the current year to date has been appreciably higher than that for the corresponding period of 1933. The net returns to the company on its newsprint sales, on the other hand, have probably not been quite as satisfactory as last year on a per ton basis. The gross income of the company should be larger in 1934. If the producers are successful in securing an increase in the price of newsprint at the end of this year, the outlook for St. Lawrence Paper Mills and other manufacturers during 1935 will be more encouraging than for some time past.

Steel Co. of Canada

Kindly let me have your opinion on Steel Co. of Canada's preferred stock. I hold a few of these shares and as I am checking up on my investments just now would like to have your views on its investment merits.

Steel Co of Canada preferred stock is highly regarded as an investment medium. Over many years this company has built up a very strong financial position, with net working capital amounting to over $14,000,000 At the end of last year the equity back of the preferred stock, which has a par value of $25, was $138.87. Earnings on this security have been consistently above the dividend requirements, though in 1923, the reported profits were not sufficient to take care of the dividends; due to its strong liquid position, however, the company was able to maintain dividends without any difficulty.

Power Corp.

Please let me have your views on Power Corp. of Canada. I am considering purchasing a few shares of the common stock.

Power Corp. of Canada is a public utility holding and management company. During the first few years of its existence, the value of its investment portfolio, together with earnings, showed very substantial increases with the result that there was an active market for the company's stock. Since the market collapsed in 1929, however, the value of the company's investments has declined very materially, while income has been reduced to a basis which leaves little or nothing over for distribution on the common stock. The last financial statement issued by the company indicated a small equity back of the common stock and practically no earnings on it. The report for the year ended June 30, 1934, is expected to make its appearance shortly. Advance information is to the effect that the market value of the company's investment will show a moderate increase, while interest and preferred dividends will be covered with a small margin to spare.

Dominion Steel

Will you be good enough to let me know if the Dominion Steel & Coal Corp. will declare a dividend on its B stock this year?

Although there has been some improvement in the position of Dominion Steel and Coal Corp. this year, there is no likelihood of a dividend on this stock. As a matter of fact, unless there is a very marked improvement in the volume of business and profits of the company, it is more than likely a second reorganization will have to be carried out in order to place the company on a sounder footing.

Foreign Power

I hold a small amount of Foreign Power Securities bonds, which I note are quoted at a very low figure. Can you let me have any information on this company's operations, especially as they pertain to the bond issue?

It is difficult to give you an opinion on Foreign Power Securities owing to the limited amount of current information available on this company and its operations. Last year was one of the worst experienced by the company from the point of view of earnings, the net income being insufficient to take care of interest on the company's first collateral trust bonds. It is noted that the equity back of this security has steadily declined from 1929 when it amounted to $2,583 per $1,000 bond of $1,598 per $1,000 bond at the end of 1933 fiscal year. In the annual report issued last January, the president stated that there was no change for the better in the electrical power industry in France. The utility companies in which Foreign Power Securities is interested are all well known and service a large number of customers. Under normal conditions, it is to be expected that the demand for electricity and power would show an increase with a resultant gain in earnings. At the moment, however, the outlook for the company is indefinite.

Rackets

Racket: "A trick, dodge, scheme, game, line or business or action."—Shorter Oxford English Dictionary.

One To Twenty-four

NO MATTER how ridiculous they are, the gambling rackets live to a hoary old age. Away back before the American revolution, in 1763 to be exact, the Spanish government established its famous lottery. It became fairly entrenched with a large following not only in Spain but gradually throughout a large portion of the world.

Now after 171 years, customers are falling off both in the foreign and domestic fields. French and Irish competition is blamed in some quarters, while new regulations against the export of capital for this purpose by various governments throughout the world are also given as a reason.

It was left to an enterprising Spanish newspaperman, however, to unearth the real cause of the depression in lotteries. He attributes the recent sharp falling-off to the fewness and relative smallness of the prizes offered. Actually less than four per cent of the total sum paid in for tickets is distributed in the form of prizes, he explained. The rest of the money, 96 per cent or 24 to one is swallowed up in profit and overhead. But this sort of thing went on for nearly two centuries before the gullible became suspicious and started to withdraw their patronage.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

Long Lac Lagoon

As a subscriber to your paper I would appreciate a report on Long Lac Lagoon Gold Mines. Is the company producing?

Long Lac Lagoon Gold Mines is a newly incorporated company with its property on the west arm of Little Long Lac, Thunder Bay mining division, in the surface development stage only. The property comprises 58 claims or about 2,200 acres adjoining the Little Long Lac Gold Mines. Thirty of the claims are owned outright and 28 known as the Johnson-Gillies group, controlled through option. Surface exploration has been carried on, diamond drill tests to 200 ft. showing, according to company reports, a vein 3 ft. wide assaying $16.50 per ton in gold at normal value; and 375 ft. values of $1.15 per ton indicated over a width of 9.8 ft. and at the 414 ft. level $7 per ton over a width of three ft. The company is headed by T. J. Day, of Toronto, and has an authorized capitalization of $3,000,000 divided into $1 par value shares of which $1,300,000 have been issued. In March, 1934, Stewart McNair & Company, of Toronto, offered 300,000 at 25c. per share.

McKenzie Red Lake

What is the present status of McKenzie Red Lake, and where are their properties?

McKenzie Red Lake Gold Mines owns 320 acres in Red Lake district, Ontario, 2½ miles north of Howey. The property is reached by water route from Hudson on the C.N.R., 150 miles distant. Most recent reports state that continuous ore for 450 ft. in length has been opened upon the second level. Drifting on the new vein at this level has been extended 212 ft. and averages 5.4 ft. assaying .50 oz. of gold per ton. The result of sinking the incline winze from the second level has been the best so far encountered. Drifting on the third level has shown $20.50 value over 5.1 ft. to the north and .37 oz. of gold over 4.1 ft. in the south bed. While nothing definite has been announced, it is understood that the company is considering the installation of a mill in the not too distant future. The company is well managed. The balance sheet as of December 31, 1933 shows current assets of $45,722 and current liabilities of $4,219. In addition, there are deferred payments due on the property totalling $50,000. The company has an authorized capitalization of $3,000,000 in $1 par value shares of which 2,250,838 shares are outstanding as at March 21, 1934.

Central Patricia Gold

Would you classify Central Patricia Gold Mines as a sound company? Just how far have they progressed?

With the mill handling an average of about 50 tons daily, with mill heads running .86 oz. a ton and recovery averaging 80 per cent, the Central Patricia Gold Mines mill is expected to show profits from the outset of its operation. The company is fortunate as regards power as the Hydro-Electric Power Commission of Ontario is completing a new power development near the property, which allows Central Patricia to cut its power costs by more than 50 per cent, making for lower operating expenses. Other plant and equipment erected on the property include a three-compartment shaft, a hoist, compressor. boilers and electric power plant which will provide the power until hydro power is made available next spring from the Albany River. Development work is being concentrated on the 250 ft. level with ore averaging about one ounce to the ton. The company has a capitalization of $2,500,000 in $1 par value shares. Of this, $2,131,000 were outstanding as at December 31, 1933. The balance sheet at that time showed current assets of $119,754 as against current liabilities of $9,043, leaving a working capital of $110,711.

Province of Ontario
2½% Debentures
(Non-Callable)
Dated Aug. 30, 1934 Maturing Aug. 30, 1935-39
Payable in Canada at
Toronto, Montreal, Ottawa, Winnipeg, Vancouver, Halifax, St. John
Denomination: $1,000

PRICES:
1935 Maturity, 99.90 and accrued interest, to yield 2.60%
1936 Maturity, 99.61 and accrued interest, to yield 2.70%
1937 Maturity, 99.14 and accrued interest, to yield 2.80%
1938 Maturity, 98.50 and accrued interest, to yield 2.90%
1939 Maturity, 97.92 and accrued interest, to yield 2.95%

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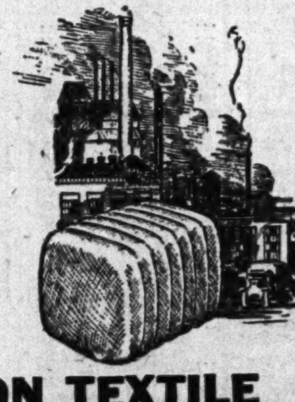

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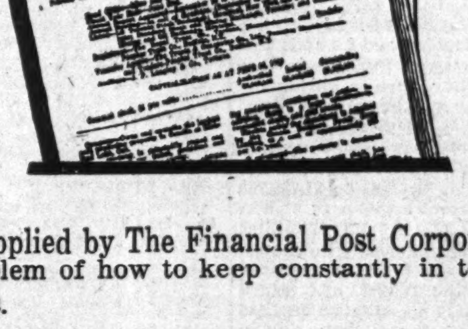

The Investor's Service supplied by The Financial Post Corporation Service solves the individual investor's problem of how to keep constantly in touch with his present or contemplated investments.

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Company's business
History of its operations
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Provisions of each stock issue
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Subsidiaries
Production and development of mines
Analyses of mining costs
Ore reserves
Security of bond issues
Dividend record
Stock market record
Earnings record
Balance sheets

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September Payments Down On Dividends and Interest

But Decrease From Year Ago Due to Change From Quarterly to Semi-annual By Leading Oil Companies—Large Extras From Mines

Canadians will have less money to spend this September from dividend and bond interest payments than a year ago because the total is down to $31,036,992 from $35,788,308 for September 1933. However the decrease is only temporary and is due entirely to new dividend policies of Imperial Oil and International Petroleum. These two companies have placed their dividends on a semi-annual basis instead of quarterly as formerly. Had the old policy been followed, September payments this year would have shown an increase over the same month a year ago.

Many Extras

Dividend rates have been reduced by the Bank Canadienne Nationale from 10 per cent to eight and by the Montreal Loan and Mortgage Co. from $3 to $2.50. To offset this small falling off, however, there is a dividend increase by McIntyre Porcupine Mines from one dollar to two and Photo Engravers has resumed the 50 cents quarterly dividends which last paid June 1, 1932. The mines have added to the extra money by declaring extra dividends on Hollinger Gold, five cents; Lake Shore, 50 cents; and Siscoe Gold, two cents. Another extra comes from International Proprietaries with 15 cents in participating dividends on the "A" shares.

In individual dividend contributions International Nickel heads the list with a total including the extra of $2,187,603 while Lake Shore is not far behind with an even $2,000,000 one half of which is the regular disbursement and the other the bonus.

Bank Dividends

Banks are big contributors in the month just beginning. Montreal contributes $720,000, Nationale, $140,000, Toronto, $150,000, and the Commerce, $600,000 and the Royal with $700,000.

Summary of Payments

	1934 $	1933 $
Dividends	9,731,678	14,271,323
Bond interest	21,305,314	21,516,985
Total	31,036,992	35,788,308

Dividend Payments

Company	Rate	Date	Amount $
Acme Glove, pfd.	1⅝q	15	7,491
Agnew-Surpass, c.	20c	1	15,904
Bank of Montreal	2q	1	720,000
Bank Nationale	2q	1	140,000
Bank of Toronto	2½q	1	150,000
Belding-Corticelli, pfd.	1¾q	15	15,142
Bright, T. G.	7½cq	15	7,500
Do., pref.	$1.50q	15	12,000
Canada Vinegars	40cq	1	36,800
Can. Bk. of Commerce	2q	1	600,000
Can. Hydro-Elec., pfd.	1½q	1	187,500
Dom. Scottish Inv., pfd.	25cq	1	14,925
Falconbridge Nickel	10c	27	327,870
Ham. Un. Theat., pf.	$1.75q	29	13,787
Hollinger Gold	5+5c	10	492,000
Inter. Milling, pref.	1¾q	1	60,026
Do., A	1½q	1	13,359
Inter. Nickel, c.	15c	29	2,187,603
Inter. Proprietaries A	65cq	15	145,122
Do., participation	15c	15	33,489
Lake Shore Mines	50cq	15	1,000,000
Do., bonus	50c	15	1,000,000
Laura Secord, c.	75cq	1	43,125
Loblaw Grocet. A & B	25cq	1	207,657
McColl-Fron., c.	20cq	15	110,000
McIntyre-Porc.	50cq	1	399,000
Montreal Cottons, pf.	$1.75q	15	52,500
Montreal Loan & Mtge.	62½cq	15	15,000
National Grocers, pf.	$3.50*	1	103,362
New Method Ldry., pf.	1¾q	1	4,062
Ogilvie Flour, pref.	$1.75	1	35,000
Photo Engravers, c.	50cs	1	15,000
Provincial Bank	$1.50q	1	60,000
Reliance Grain, pfd.	1⅝q	15	32,500
Rolland Paper, pfd.	$1.50q	1	22,500
Royal Bank	2q	1	700,000
Siscoe Gold Mines	3cq	29	138,301
Do., bonus	2c	29	92,201
South Amer. Gold	10c	25	176,000
Sylvanite Gold	5q	30	164,975
Thayers, c.	25c	1	12,613
Toronto Elevators, c.	$1	1	25,000
Walker-Hiram, pref.	25cq	15	115,517
West. Can. Flour, pfd.	75cq	15	18,097
Zimmerknit, pref.	3½s	1	8,750
			9,731,678

* On arrears.
q Quarterly.
s Semi-annually.

Bond Interest Due in September

Company:	Rate	Date	Due	Amount
Adel. Shep. Bldg.	5	15	1948	$ 22,173
Acadia Apts.*	6½	1	1939	25,868
Atlantic Util., A	5	1	1963	12,500
Bawlf Ter. Elev.	6½	1	Serial	6,500
Bell Tele., A	5	1	1955	750,000
Brit. Amer. Oil	5	1	1945	111,563
B.C. Elec. deb. stk.	4½	30	Perp.	287,355
B.C. Power, A	5½	1	1960	275,000
Do., B	5	1	1960	100,000
Can. Bakeries	6½	1	1945	21,817
Can. Nat. Rlys.	4½	15	1954	585,000
Do.	4½	1	1951	1,125,000
Can. Nor. Ont. 1st mtge.	3½	30	1936	137,547
Do., deb. stk.	3	30	1953	140,398
Do., deb. stk.	4	1	1934	341,206
Can. Pac. Rly.	4½	1	1946	450,000
Do., convert.	6	15	1942	375,000
Dom. Textile	6	1	1949	142,740
Gt. West. Sadd.	6	1	1948	16,650
Gypsum, Lime, Alab.	5½	1	1948	98,930
Hermes Bldg.	6½	1	1942	17,979
Hillcrest Coll.	5	1	1940	8,125
Hotel Victoria	6	1	1949	7,362
Inter. Waterways	6	1	1937	1,815
Inter. Power	6½	1	1957	97,500
Int. Power gold deb.	6	1	1957	60,000
Legare, P. T.	6	1	1947	29,697
Lindsay, C. W.	6	1	1958	22,800
Mtl. Pub. Ser.	5	1	1942	74,200
Mersey Paper, A	6	1	1949	58,995
Mtl. L. H. & P., B	5	1	1970	290,062
Northern Tele.	6	1	1948	4,749
N. B. Power	5	1	1937	42,875
N. S. Shipping	6	1	1943	3,195
Ontario Bldg.	6½	1	1943	26,000
Peel St. Rlts.	6½	1	Serial	16,006
Power Corp., B	4½	1	1959	206,516
Prov. L. Heat	5	1	1946	21,725
Ritchie Cut Stone	6½	1	1948	1,885
Robin. J. & Whit.	6	1	1950	5,547
Stand. Lime	6	1	1944	16,815
Silverwood's	7	1	1937	4,336
St. Clair Apts.	7	8	Serial	2,450
Toronto Carpet, A	6	1	1944	20,985
Trail Apts.	6	1	1947	1,200
Un. Amuse., A	6	1	1942	37,386
Viceroy Mfg.	6½	1	1950	8,775
West Koot. Pr., A	5	1	1956	162,500
Corporation bonds				6,276,718
Municipal				2,257,384
Provincial				4,202,913
Dominion				8,568,299
Total				21,305,314

*Coupon No. 17 due Mar. 1, 1933.

BREWING CORP. PROFITS COVER PREF. DIVIDEND

Net is Up Two and Half Times in Third Quarter

Brewing Corp. of Canada reported a net profit, after interest, taxes and depreciation of $131,095 for the three months ended July 31, 1934, as compared with $36,722 for the corresponding period in 1933, or an increase of more than two and a half times. Though officials of the company refuse any comment on possibility of dividends, this profit will more than cover the $144,561 necessary for quarterly dividends on the preferred due Sept. 30.

Dividends

Rumors indicate that such a dividend will be declared but could not be confirmed officially. This would be the first payment since April, 1931. Under the changes in the capital set-up approved last February, all arrears on preferred were extinguished with the rate increased from $2.50 to $3 per share from July 1, 1934.

Earnings just reported after covering dividend requirements on preferred leave a margin of $16,534 available for common stock or at the rate of slightly over two cents on the latter shares. Future earnings during the last quarter of the company's fiscal year will largely depend upon how much the increased sale under new Ontario beer law will be offset by the natural shrinkage in consumption due to the cooler weather.

Sales Away Up

Only the last three days of beer sale under the new Ontario law is covered in the report and since then, states E. P. Taylor, president, a great many more licenses to sell have been issued. These have increased the number of outlets to more than 1,300 compared with 235 prior to the change in law on July 24. The volume of sales following the change, states Mr. Taylor, has more than doubled and he adds that there is every indication that "profits of the company during the final quarter of the present fiscal year will be most satisfactory."

In the current assets the inventory has been built up from $979,843 reported at Oct. 31, 1933 to $1,786,750 and total current assets over $1,000,000 to $2,467,237. Among liabilities there has been practically no change in the bank loan which stood at $295,000 in the report just issued while accounts payable at $661,648 were slightly more than double those reported at the end of the last fiscal year.

Canadians to Address Advertisers' Convention

Addresses by C. E. Bourne, manager of the advertising department of The Royal Bank of Canada, and by W. C. Clark, Dominion Deputy Minister of Finance, will be among the features of the 19th annual convention of the Financial Advertisers Association to be held Sept. 10 to 13 at the Hotel Statler, Buffalo, N.Y.

Mr. Bourne will speak on "How Far Should a Bank Go in Educating and Advising its Depositors?" and will also tell "How to Instill the Right Spirit Among Employees." Mr. Clark will make the concluding address on Sept. 13 on the subject: "The Importance of International Relations to International Trade and Investments."

Normal Year For B.C. Salmon

Present indications are that British Columbia salmon fisheries will have a normally good year. The pack to July 28 totals 336,280 cases compared with 262,937 in the corresponding period last year and already considerably exceeds the pack of the cycle year of 1930 which at this date totalled 279,530 cases.

A. J. Pattison, Jr. & Co. LIMITED
(Established in 1907)
INVESTMENT BANKERS
3rd Floor, Royal Bank • Toronto, Can.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING AUGUST 27

§ Quotations for 1933. No sales recorded in 1934 to date.
x Quotations for 1932.
† Quotations for 1931.
* See "Unlisted Stocks" also.
* Plus 25c. on arrears paid July 3.
* Plus 75c. extra paid July 31.
▲ On account of arrears.
■ Plus 87½c on arrears paid Aug. 15.
‡ Quotations for 1930.
b New York Quotations.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)

August 28, 1934

	Bid	Asked
Industrial Stocks:		
Acadia Sugar com.	2.50	3.10
Acadia Sugar pfd.	4.30	....
Acme Glove pfd.	24.50	27.00
Allens London pfd. bonus com.	34.00	....
Allens St. Cath. pfd. bonus com.	35.50	....
Allens Toronto pfd. bonus com.	22.00	....
Andian National	36.00	38.00
Atlantic Sug. pfd.	87.75	90.00
B. C. P. & P. pfd.	6.00	11.00
Burns pfd. bon. c.	2.00	3.50
Can. Dom. Sugar	47.00	49.00
Can. Machy. com.	1.00	1.60
Can. Packers com.	36.00	40.00
Can. Packers pfd.	98.50	101.00
Can. Starch com.	8.00	....
Can. Starch pfd.	81.50	....
Can. W. & Cable pfd. WW	68.00	71.50
Can. Indust. A	160.00	....
Can. Indust. B	158.00	161.00
Can. Indust. pfd.	139.50	144.00
Can. Westinghouse	45.00	47.00
Chase, pfd. bon. c.	23.00	28.00
Dom. F. & Steel c.	8.75	10.00
Dom. F. & Steel p.	63	70½
Dom. Manuf. pfd.	65.00	....
Dom. Woollens c.	1.75	2.50
Dunlop Tire pfd.	71.00	75.00
East. Dairies pfd.	13.00	16.00
Federal Grain c.	1.50	2.80
Federal Grain p.	15.50	17.25
For. Power Sec. p.	12.50	14.00
Freiman, A. J. pf.	56.00	60.00
Gen. Stl. Wares p.	35.25	37.00
Goderich Elevator & Transit	6.25	7.25
Greening Wire pf.	68.00	....
Guardian Realty p.	12.00	....
Guelph Carpet pfd.	86.00	89.00
Guelph Carpet c.	10.50	13.00
Harding Carpets Units	32.50	....
Hayes Wheels pfd.	8.00	11.00
Highland Dairy c.	3.75	4.25
Highland Dairy p.	67.25	....
Inter City Bak. c.	16.75	....
Int. Met. Indust. p.	38.50	45.00
Inter. Paints pfd.	16.25	18.00
Inter. Propriet. A	34.25	35.50
Loew's Lond. pfd.	3.80	4.20
MacLaren Pwr. c.	15.00	18.00
Mans. Theat. pfd.	24.50	27.50
Massey-Harris pfd.	18.25	19.50
Mt. Royal Hotel p.	1.50	2.50
Nat. Grocers com.	4.50	4.75
New Meth. Laund. pfd. bonus	50.00	....
Niag. W. Weav. pf.	37.00	....
Para. Kitchener p.	35.50	....
Para. Oshawa pfd.	42.00	....
Perfection Pete. pf.	15.00	22.00
Prov. Paper pfd.	79.00	81.50
Rel. Grain pfd.	53.75	57.00
Rob. Cons. Cone	6.40	7.75
Rolland Paper c.	8.25	11.00
Rolland Paper pfd. WW	75.25	80.00
Ruddy, E. L., pfd.	14.25	15.75
Stand. Fuel pfd. bonus	92.00	....
Supersilk pfd.	55.00	57.00
Supertest Pet. B p.	23.50	25.00
Thayers com.	6.50	7.40
Thayers pfd.	38.00	40.00
West. Grain pfd. bonus	3.00	6.00
Wood, A. & James pfd.	22.50	27.00

	Bid	Asked
Insurance Stocks:		
Brit. Amer.	31.00	....
Canada Life	435.00	....
Canadian Fire	52.00	59.00
Confed. Life 20% pd.	124.00	127.00
Cont. Life 20% pd.	35.25	39.00
Crown Life	101.00%	....
Dominion Fire	95.00	....
Dominion Life 50% pd.	167.00	....
Dom. of Can. Gen.	97.00	103.00
Empire Life 25% pd.	9.75	11.25
Excelsior Life 30% pd.	72.50	78.00
Federal Fire 25% pd.	36.25	....
Great. W. Life	337.00	....
Guar. of N. A. fully pd.	215.00	....
Guar. of N. A. 20% pd.	43.00	....
Imperial Life	280.00	....
Manuf. Life	222.00	....
Monarch Life 10% pd.	18.00	20.50
Nat. Life 25% pd.	51.00	....
Sov. Life 25% pd.	14.00	17.00
Sun Life	310.00	325.00
West. Assur. com.	30.00	33.00
West. Assur. pfd.	33.00	....
Western Life 20% pd.	9.00	12.00
Trust & Loan Stocks:		
Brit. Mtge. & Tr.	130.00	140.00
Chartered Trust	66.00	70.00
Lond. & West. Tr.	36.00	39.50
Premier Trust	....	92.00
Sec. Loan & Sav.	99.00	....
Sterling Trust	....	45.00
Traders Fin. B pfd.	46.50	50.00
Trusts & Guar.	38.00	42.00
Vic. Tr. & Sav.	102.00	130.00
Waterloo Tr. & S.	....	87.00
Investment Trust Shares:		
Can. Gen. Invest.	4.80	5.10
Can. Investors	4.00	5.00
Can. Int. Inv. Tr. Units	20.50	....
Can. Invest. Fund	3.25	3.45
Cons. Div. Standard Sec. pfd.	11.50	13.00
Debent. & Sec. p.	21.00	....
Dom. & Anglo Inv. Units	190.00	....
Dom. Scottish Inv. Units	22.50	25.75
Invest. Foundation Units	35.00	37.25
Sec. Holding Units	10.00	12.25
United Corpns. A	9.25	10.50
United Corpns. B	2.40	3.00
Power Issues		
Calgary Power pf.	87.50	90.00
Can. L. & P. com.	20.25	....
Can. W. Nat. Gas L.H.&P. pfd.	91.25	93.00
Great Lakes P. pf.	39.00	....
Marit. T. & Tl. pfd.	12.50	13.25
N. B. Tel. com.	9.75	10.75
N. S. L. & P. com.	40.00	....
N. S. L. & P. pfd.	88.00	....

Recent London Quotations:

Brit. Col. Tele. pfd.	$100
Brew. & Distillers	3s. 6d.
Can. & For. Secs.	4s. 6d.
Can. Collier A inc. stk.	38
Do., B	7½
Can. N. W. Land	£1½
Can. West. Lumber	2s.
Hudson's Bay	24s. 9d.
Do., pref.	101s. 3d.
Internat'l Holdings	$1⅞
Nfld. Pr. & Pap. deb. stk. B5½%	103
Trust & Loan (15s. pd.)	3d.

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Acme Glove, pref.	$3.25	81¼c	Sept. 15	Aug. 31
Agnew-Surpass	...	20c	Sept. 1	Aug. 15
Do., pref.	7%	1¾%	Oct. 1	Sept. 15
Bruck Silk Mills	$1	25c	Oct. 15	Sept. 15
Bell Telephone	$6	$1.50	Oct. 15	Sept. 22
Belding-Corticelli, pref.	7%	1¾%	Sept. 15	Aug. 31
Bright, T. G.	30c	7½c	Sept. 15	Aug. 31
Do., pref.	$6	$1.50	Sept. 15	Aug. 31
Bank of Montreal	8%	2%	Sept. 1	July 31
Bank Nationale	8%	2%	Sept. 1	Aug. 15
Bank of Nova Scotia	12%	3%	Oct. 1	Sept. 15
Bank of Toronto	10%	2½%	Sept. 1	Aug. 15
Bonded Corp. Tr. Cert.	$1.20	10c	Sept. 1	Aug. 28
Do., extra	...	10c	Sept. 1	Aug. 28
Can. Perm. Mortgage	$8	$2	Oct. 1	Sept. 15
Canadian Cottons, com.	$4	$1	Oct. 1	Sept. 15
Do., pref.	$6	$1.50	Oct. 1	Sept. 15
Can. General Electric	$3	75c	Oct. 1	Sept. 15
Do., pref.	$3.60	87½c	Oct. 1	Sept. 15
Canadian Hydro-Electric, pref.	6%	1½%	Sept. 1	Aug. 1
Canadian Bank of Commerce	8%	2%	Sept. 1	July 31
Canada Vinegars	$1.60	40c	Sept. 1	Aug. 15
Dom. Scottish Invest., pref.	$1	25c	Sept. 1	Aug. 20
Dominion Stores	$1.20	30c	Oct. 1	Sept. 15
Dominion Textile	$5	$1.25	Oct. 1	Sept. 15
Do., pref.	$7	$1.75	Oct. 15	Sept. 29
Dominion Bank	$10	$2.50	Oct. 1	Sept. 20
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
Falconbridge Nickel	...	10c	Sept. 27	Sept. 12
Hamilton United Theat., pref.	$7	$1.75	Sept. 29	Aug. 21
Hollinger Gold	65c	5c	Sept. 10	Aug. 24
Do., extra	...	5c	Sept. 10	Aug. 24
Hiram Walker-G. & W., pref.	$1	25c	Sept. 15	Aug. 24
Inter. Milling, pref.	7%	1¾%	Sept. 1	Aug. 20
Do., (A)	6%	1½%	Sept. 1	Aug. 20
International Nickel, com.	...	15c	Sept. 29	Aug. 30
Inter. Proprietaries A	$2.60	65c	Sept. 15	Aug. 22
Do., participation	...	15c	Sept. 15	Aug. 22
Lake Shore Mines	$2	50c	Sept. 15	Sept. 1
Do., bonus	...	50c	Sept. 15	Sept. 1
Laura Secord, com.	$3	75c	Sept. 1	Aug. 15
Loblaw Groceterias, A & B	$1	25c	Sept. 1	Aug. 14
Montreal Loan & Mortgage	$2.50	62½c	Sept. 15	Aug. 31
McColl-Frontenac, com.	80c	20c	Sept. 15	Aug. 15
McIntyre-Porcupine Mines	$2	50c	Sept. 1	Aug. 1
Montreal Cottons, pref.	$7	$1.75	Sept. 15	Aug. 31
National Breweries	$1.60	40c	Oct. 1	Sept. 15
Do., pref.	$1.75	44c	Oct. 1	Sept. 15
National Grocers, pref.	...	$3.50	Sept. 1	Aug. 20
Niagara Wire Weaving, pref.	$3	75c	Oct. 1	Sept. 15
Ogilvie Flour Mills, pref.	$7	$1.75	Sept. 1	Aug. 22
Photo Engravers, com.	$1	50c	Sept. 1	Aug. 15
Pioneer Gold of B. C.	80c	20c	Oct. 1	Sept. 1
Power Corp., pref.	$6	$1.50	Oct. 15	Sept. 29
Do., 2nd pref.	$3	75c	Oct. 15	Sept. 29
Provincial Bank	$6	$1.50	Sept. 1	Aug. 15
Premier Gold Mines	12c	3c	Oct. 15	Sept. 14
Reliance Grain, pref.	6½%	1⅝%	Sept. 15	Aug. 31
Rolland Paper, pref.	$6	$1.50	Sept. 1	Aug. 15
Royal Bank	8%	2%	Sept. 1	July 31
South Amer. Gold & Plat.	...	10c	Sept. 25	Sept. 15
Sylvanite Gold	20%	5%	Sept. 30	Sept. 1
Siscoe Gold Mines	12c	3c	Sept. 29	Sept. 15
Do., bonus	...	2c	Sept. 29	Sept. 15
Southern Can. Power, pref.	$6	$1.50	Oct. 15	Sept. 20
Toronto Elevators, com.	...	$1	Sept. 1	Aug. 20
Thayers Ltd.	...	25c	Sept. 1	Aug. 15
West. Canada Flour, pref.	$3	75c	Sept. 15	Aug. 31
Zimmerknit Co., pref.	7%	3½%	Sept. 1	Aug. 15

Dividend Rate Increased—
McIntyre Porcupine Mines, $1 to $2 per annum Sept. 1.
Pioneer Gold of B.C., 60c to 80c per annum, Oct. 1.

Dividends Resumed—
Photo Engravers 50c, Sept. 1. Last paid June 1, 1932.

Initial Payment—
Zimmerknit $3.50 preferred, Sept. 1.

Dividend Rate Reduced—
Bank Canadienne Nationale, 10% to 8%, Sept. 1.
Montreal Loan & Mortgage, $3 to $2.50, Sept. 15.

Winnipeg Stock Exchange

(Transactions from Aug. 20 to Aug. 24)

Div. rate in $	Yield in %		Sales	High for period	Low for period	Close Aug. 24
..	..	Adanac	11,225	.35	.28	.33
..	..	Bailor	500	.23	.23	.23
..	..	Bankfield	500	1.29	1.29	1.29
..	..	Bruce Cons.	3,600	.25	.19	.25
..	..	Gabrielle	2,900	.70	.61	.70
..	..	Island Lake	2,780	.10	.09	.10
..	..	Gold Lake	500	.50	.50	.50
..	..	Juno Gold	650	1.50	1.30	1.50
..	..	Kingfisher	1,000	.25	.18	.25
..	..	Long Lac Adair	2,000	.31	.30	.30
..	..	McL. Cockshutt	1,200	1.06	1.02	1.02
..	..	Normandy	65	8.75	6.75	8.25
..	..	Oro Grande	500	.13	.13	.13
..	..	Oxford Lake	110	4.00	4.00	4.00
..	..	Pacific & Eastern	50	1.00	1.00	1.00
..	..	Rice Lake Units	11	29.50	28.00	28.00
..	..	Scotia Gold	2,500	.28	.26	.28
..	..	Wells Long Lac	1,200	.30	.30	.30
..	..	Wingold	16,150	.60	.45	.55

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Fire	..	100	Sov. Life 25% pd.	..	15
Beaver Lumber, pf.	..	60	Traders' Bldg.	....	65
Crescent Cream. pf.		25	Un. Grain Growers	9½	..
Federal Grain pref.	15½	..	West. Breweries	1	
Great-West Life	320		Can. Amer. Tr. sh.	2.50	2.75
Home Investment	20		Can. Inv. Fund	....	3.40
Northern Mtge.	..	5	Fundamental Ser. A	3.85	4.40
Northern Trust		15	Fundamental Ser. B	3.60	...
Pelissiers, com.	.25		Grouped Inc. shs.	..	3.95
Pelissiers, pref.	..	23			

* Stocks more active on other exchanges not included.

Listed Bond Quotations

Week Ending August 27, 1934

	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1934 High	Range 1934 Low
McNish	6	1948	...	3.50	3.50	....	4.25	2.75
Mtl. L.H. & P. debs.	5	1939	3.60	47	47½	46½	47½	43

Active Corporation Bonds

(Furnished by Royal Securities Corp., Toronto)
August 28, 1934

	Int. Rate	Due	Bid Aug. 28	Asked Aug. 28	Bid Aug. 21
Public Utility Issues:					
Beauharnois L. H. & Power	5½%	1973	100½	102½	100½
Beauharnois Power Corp.	6%	1959	66	...	66
Beauharnois Power Corp.	5%	1973	53½	55½	53½
Bell Telephone	5%	1955	107½	109	107½
Bell Telephone	5%	1957	108½	110	108
B. C. Power	5%	1960	100	102	100
B. C. Power	5½%	1960	103½	105½	103½
B. C. Telephone	5%	1960	103	105	103½
Calgary Power	5%	1960	96	98½	96½
Canada Northern Power	5%	1953	95½	97½	95½
Cedars Rapids Mfg. & Power	5%	1953	109½	...	109
Dominion Gas & Electric	6½%	1945	62½	65	60½
Duke-Price Power	6%	1966	90½	92½	91
Gatineau Power	5%	1956	91½	93½	92
Gatineau Power	6%A	1941	87	89	87½
Gatineau Power	6%B	1941	86	88	86½
International Hydro-Electric	6%	1944	53½	55½	51
Jamaica Public Service	5%	1950	98½	100½	98½
Maclaren-Quebec Power	5½%	1961	100½	102½	100
Manitoba Power	5½%	1951	60½	63	61
Montreal Island Power	5½%	1957	102	104	102½
Montreal L. H. & Power	5%	1951	107½	109½	107½
Montreal L. H. & Power	5%	1970	107½	109½	107½
Montreal Public Service	5%	1942	105	...	105½
Montreal Tramways	5%	1955	77	79½	78
Montreal Tramways	4½%	1955	71	73	71
Montreal Tramways	5%	1941	100½	102½	100½
National Light & Power	6%	1949	83	86	83
N. B. Power	5%	1937	70½	73	69
Northwestern Utilities	7%	1938	99½	101½	99½
N. S. Light & Power	5%	1958	97½	100	97½
Ottawa Light Heat & Power	5%	1957	103	104½	103
Ottawa Valley Power	5½%	1970	105½	107	105½
Power Corp.	4½%	1959	74½	77	74½
Provincial Light & Power	5%	1946	105	...	105½
Quebec Power	5%	1968	99	101	99½
Rio de Janeiro T. L. & Power	5%	1935	101½	103½	101½
Shawinigan Water & Power	6%	1937	101½	103½	101
Shawinigan Water & Power	4½%	1970	91½	93½	92
Shawinigan Water & Power	5%	1970	99½	101½	99½
Southern Canada Power	5%	1955	103½	105	103½
United Securities	5½%	1952	78	80	79
West Kootenay Power	5%	1956	104½	106	104½
Western Power Co.	5%	1949	102½	104½	102½
Winnipeg Electric	5%	1935	93	95	93
Winnipeg Electric	6%	1954	47	49½	48
Industrial and Realty Issues:					
Abitibi Pulp & Paper	5%	1953	28½	30½	30
Abitibi P. & P. C.O.D.'s	5%	1953	24	26	25
Acadia Sugar	6%	1946	101½	103½	101½
Alberta Pacific Grain	6%	1946	76½	...	76½
Algoma Steel	5%	1962	15	17	16
American Sales Book	6%	1939	101	...	101
Asbestos Corp.	5%	1942	99	...	99
Atlantic Sugar	5%	1941	94½	...	94½
Balfour Building	6%	1934	36	...	36
Belding-Corticelli	5%	1936	103	...	103
Bloor-St. George Realty	7%	1946	40	...	43
Booth Buildings	6½%	1937	98	...	98
Brandram-Henderson	6%	1936	92	...	92½
British American Oil	5%	1945	103½	105½	103½
British Columbia Pulp & Paper	6%	1950	66½	68½	66½
Brown Co.	5½%	1946	46	48	46
Burns & Co.	5½%	1948	31	33	31½
Canada Biscuit	6½%	1946	19½	22	19
Canada Bread	6%	1941	95½	98	95½
Canada Cement	5½%	1947	94½	96½	94½
Canada Paper	6%	1945	89	...	89
Canada Steamship	5%	1943	92½	94½	92½
Canada Steamship	6%	1941	28	30	27½
Canadian Canners	6%	1950	103½	105	103½
Canadian Consolidated Felt	6%	1940	90	...	90
Canadian Copper Refiners	6%	1945	106½	...	106½
Canadian Cottons	5%	1940	101	...	100½
Canadian Goodrich	7%	1943	47	...	47
Canadian International Paper	6%	1949	63	65½	63
C. P. R.	6%	1942	108	109½	107½
C. P. R.	4½%	1944	90½	92½	89½
C. P. R.	5%	1954	96½	98½	96½
C. P. R.	4%	1949	91½	93½	91
Canadian Rail & H. Terminals	6½%	1951	20	22	21
Canadian Vickers	6%	1947	52	54	52
Consolidated Investment	4½%	1959	68½	...	68
Consolidated Paper	5½%	1961	16½	18½	16½
Cosmos Imperial Mills	6½%	1944	101½	...	101½
Debenture & Security	4%	1936	75	...	75
Dominion Canners	6%	1940	106½	...	106½
Dominion Square Corp.	6%	1948	49	52	51
Dominion Tar	6%	1949	85	87½	85
Dominion Textile	6%	1949	108½	...	107½
Dominion Woollens & Worsteds (with stock)	6%	1948	46½	49½	46
Donnacona Paper	5½%	1948	...	43	...
Eastern Dairies	6%	1949	69	71½	69
Eaton T. Realty	5%	1949	99½	...	99
Famous Players	6%	1948	90½	92½	90½
Famous Players	6½%	1948	72	74	72
Federal Grain	6%	1949	80½	83½	80½
Firestone Tire	7%	1937	100	...	100
Fraser Companies	6%	1950	39½	42	39
French National Mail S.S.	6%	1952	162	...	162
Galt Brass	7½%	1941	36½	...	36
General Brock Hotel	6%	1948	30	32	30
General Steel Wares	6%	1952	84	86	84½
Godfrey Realty	6%	1942	41	...	41
Great Lakes Paper	6%	1950	31	33	32
Gypsum Lime & Alabastine	5½%	1948	73½	75½	74
Hamilton Cottons	5½%	1948	90½	...	90
Hamilton By-Products Coke	7%	1943	98½	101	98½
Hinde & Dauch	5½%	1948	90½	...	90
International P. & P. Nfld.	5%	1968	94	96	93½
Inter City Baking	5½%	1948	84	...	83
Lake St. John Power & Paper	6½%	1947	53	55½	...
Lake St. John Power & Paper	6½%	1942	...	25	...
London Can. Invest.	4½%	1948	65	70	67
London Realty	6%	1950	79½	81½	79½
Lord Nelson Hotel	4%	1947	...	59½	...
Maple Leaf Milling	5½%	1949	31½	34	32
Massey-Harris	5%	1947	70	72	69½
McColl-Frontenac	6%	1949	103½	105	103½
McKinnon Industries	6½%	1945	103½	...	103½
Mercury Mills	5½%	1953	...	68	...
Metropolitan Building	7%	1944	100	...	100
Minnesota & Ontario Paper	6%	1945	15	17½	17
Montreal Coke	5½%	1957	101	103	101
Montreal Cottons	5%	1947	95	...	95
Montreal Dry Docks	6%	1948	42½	...	42½
Northern Electric	5%	1939	104½	...	104½
Northern Ontario Building	6½%	1939	96	98½	95½
Ontario Building	6½%	1943	37	39	37
Pacific Burt	6½%	1937	100	...	100
Penmans	5½%	1951	106½	...	106½
Price Bros. (C.O.D.)	6%	1943	85	87½	85
Provincial Paper	5½%	1947	96	98	95½
Queen's Hotel	6%	1947	70	72½	70
Reliance Grain	6%	1948	84½	87	84½
Restigouche Co.	5½%	1948	74	76½	74
Richmond Bay Bldg.	6½%	1947	85½	...	85
Riordon Pulp & Paper	6%	1942	103	105	103
Ritchie Cut Stone	6½%	1948	74	...	74
Rolland Paper	5½%	1948	96	98½	96½
E. L. Ruddy Co.	6½%	1948	73½	76	73½
St. Lawrence Flour	6%	1941	101	...	101
Shawinigan Cotton	6%	1949	88	90	87½
Simpsons Ltd.	6%	1949	98	100	98
Smith Howard	5½%	1953	96½	98½	96
Steel Co. of Canada	6%	1940	108	...	108
Stop & Shop	6%	1947	85½	88	85
Toronto Carpet	6%	1944	99½	...	99½
United Amusement	6%	1942	87	90	89½
United Corpns.	5%	1953	73	...	73
United Gas & Fuel	5½%	1948	88½	91	88
United Grain Growers	5%	1948	82½	84½	82½
Wabasso Cotton	6%	1947	97	...	97
Wabasso Cotton	7%	1942	99½	...	99½
Windsor Hotel	6½%	1943	70	73	71
Woods Mfg.	6%	1943	86	...	85

Dominion and Provincial Bonds

Quotations furnished by A. E. Ames & Co., Toronto
August 29, 1934

Dominion of Canada Bonds

	Rate	Due		Bid	Asked	Approx. Yield
†Dominion	5	1 Mar.,	1937	107.00	107.50	1.92
†Dominion	5½	1 Dec.,	1937	110.00	110.50	2.12
Dominion	5½	1 Nov.,	1934	100.50	100.75	1.30
Dominion	3½	15 Oct.,	1935	101.10	101.60	2.05
Dominion	4	15 Oct.,	1935	101.75	102.25	1.96
Dominion	5	15 Nov.,	1936	105.25	105.75	2.36
Dominion	4	15 Oct.,	1939	104.50	105.00	2.94
Dominion	4½	1 Sept.,	1940	107.25	107.75	3.08
Dominion	5	15 Nov.,	1941	110.75	111.25	3.24
Dominion	5	15 Oct.,	1943	111.75	112.25	3.42
Dominion	4½	15 Oct.,	1944	107.60	108.10	3.53
§Dominion	4	15 Oct.,	1943-45	103.75	104.25	3.46
Dominion	4½	1 Feb.,	1946	107.60	108.10	3.63
§Dominion	4	15 Oct.,	1947-52	103.75	104.10	3.61
§Dominion	4½	1 Nov.,	1946-56	106.75	107.25	3.77
§Dominion	4½	1 Nov.,	1947-57	106.90	107.40	3.80
§Dominion	4½	1 Nov.,	1948-58	107.30	107.60	3.81
§Dominion	4½	1 Nov.,	1949-59 (with talons)	107.50	107.85	3.83
Dominion Guaranteed Bonds						
xCan. Nat. Ry.	4½	1 Sept.,	1951	108.75	109.50	3.74
*Can. Nat. Ry.	4½	1 July,	1957	108.00	108.75	3.92
Can. Nat. Ry.	5	1 Feb.,	1954	113.50	114.25	3.94
xCan. Nat. Ry.	4½	15 June,	1955	111.75	112.50	3.87
xCan. Nat. Ry.	4½	1 Feb.,	1956	108.75	109.50	3.85
xCan. Nat. Ry.	4½	1 Dec.,	1968	104.50	105.25	4.22
§xCan. Nat. Ry.	5	1 Oct.,	1969	113.75	114.50	3.98
§xMontreal Harbor Cm.	5	1 Nov.,	1969	114.50	115.50	3.91
Provincial Government Bonds						
*Alberta	4½	1 Oct.,	1956	93.50	95.50	4.83
Alberta	6	1 Mar.,	1947	103.50	105.50	5.35
*British Col.	4½	1 Oct.,	1953	92.00	95.00	4.90
British Col.	5½	1 Feb.,	1945	100.00	102.00	5.25
British Col.	6	15 Feb.,	1947	101.50	103.50	5.61
xManitoba	5	2 Dec.,	1959	99.50	101.50	4.90
Manitoba	5½	1 Oct.,	1955	102.00	104.00	5.19
Manitoba	6	1 Apr.,	1947	104.00	105.50	5.41
*N. B.	4½	15 Apr.,	1960	105.00	106.00	4.38
N. B.	5	2 July,	1963	112.00	113.00	4.22
N. B.	5½	15 May,	1950	112.00	113.50	4.32
N. Scotia	4½	15 May,	1943	104.00	105.25	3.80
*N. Scotia	5	1 Mar.,	1960	112.50	113.50	4.15
xOntario	4	1 June,	1962	102.50	103.25	3.81
xOntario	4½	1 Sept.,	1944	107.00	108.25	3.52
Ontario	4½	1 June,	1950	106.25	107.00	3.91
xOntario	5	2 Dec.,	1960	116.00	116.50	3.98
Ontario	5½	1 July,	1946	114.25	115.00	3.92
§Ont. H. C.	3½-4-5	1 Oct.,	1952	98.50	99.25	3.85
xOnt. H. C.	4	1 Aug.,	1957	102.25	103.50	3.77
Ont. H. C.	4½	1 Jan.,	1970	110.00	111.50	4.13
Quebec	4½	1 Aug.,	1958	104.50	105.50	3.89
Sask.	5	1 Aug.,	1958	93.00	95.00	5.37
*Sask.	5	1 Nov.,	1959	93.50	95.50	5.32
Sask.	5½	1 Oct.,	1952	98.00	100.00	5.50
Sask.	6	15 Mar.,	1952	101.00	102.50	5.78
Municipal Bonds						
*Calgary	5½	2 June,	1944	92	95	6.18
*Edmonton	5½	1 Nov.,	1945	92	95	6.11
*Halifax	5	1 July,	1961	109	110½	4.34
Hamilton	5	1 May,	1950	108	109½	4.18
Montreal	5	1 Mar.,	1945	102	103½	4.59
Ottawa	4½	1 July,	1945	103½	105	3.93
*Quebec	5	1 June,	1959	103½	105	4.66
Regina	5	1 July,	1944	83	88	6.66
St. John	5	15 Dec.,	1950	106	108	4.32
*Toronto	4½	1 Jan.,	1955	105	107½	3.96
Victoria	5	21 July,	1945	93	97	5.37
Winnipeg	5	1 Mar.,	1944	96½	99	5.13

†Tax Exempt Issues. *Payable in Canada and New York.
§Yield at call price. xPayable in Canada, New York and London.

Insurance for Buyer and Seller

MARSHALS DISCUSS PLANS TO REDUCE LUMBER FIRE LOSS

George F. Lewis Leads Discussion, Outlines Scheme

MEETING AT TORONTO

Better Protection and Prevention Urged — Sprinkler Systems and Automatic Alarms Proposed

Pointing to the alarming increase in fires in lumber yards and sawmills throughout Canada, insurance losses from which in 1932 amounted to more than twice premiums paid, George F. Lewis, deputy fire marshal of Ontario, outlined a plan for prevention and protection, in opening a discussion on "Fire Losses in the Lumber Industry and Their Control" at the annual meeting of the Association of Canadian Fire Marshals, held this week in Toronto.

This growing fire problem demands immediate attention, he said, in proposing proper isolation of plants, adequate policing and installation of sprinkler protection as the only means of combatting the menace.

Mr. Lewis drew attention to the fire record of insured properties in Canada in which large quantities of wood were stored. These he divided into three classifications, viz., lumber yards, sawmills and wood-working factories.

Insurance Record

Their insurance record was shown to be as follows:

Fire Loss Record in Canada

	Premiums	Losses	Ratio
Lumber Yards:			
1922-'26	$7,223,552	$5,165,463	71.51%
1927-'31	4,781,082	2,151,350	44.99
1932	707,152	1,469,400	207.79
Sawmills:			
1922-'26	6,440,739	5,431,174	84.32
1927-'31	3,840,255	3,137,433	81.70
1932	641,707	792,230	123.46
Woodworking Factories:			
1922-'23	5,098,056	3,936,054	77.20
1927-'31	3,836,201	2,092,792	54.55
1932	532,340	218,505	41.05

Or an average loss ratio of 73.70% per annum for the three classifications during the eleven years.

Lumber Output Down

These increases in fire loss have taken place during a time of decreasing lumber production, Mr. Lewis pointed out. In order to give a statistical background for the picture, he quoted production figures as follows:

"During the period 1921-32 inclusive, the peak of production (4,741,941 M. feet B.M.) of all lumber and square timber in Canada was reached in 1929 and since then production has fallen off. The biggest export business was in the years 1923-1930 inclusive—with the peak in 1924. Since 1924 the export trade has gradually decreased.

"In 1932 the total per capita consumption of lumber for Canada as a whole was 139 feet B.M. compared with 208 feet B.M. in 1930, and 317 feet B.M. in 1928."

Continuing, Mr. Lewis said, in part:

Action Needed

"Here is an anomaly — production down — home consumption down — export business down — premiums down to the lowest ebb—fire losses soaring for a record in the stratosphere.

"It is evident that the fire prevention methods and fire fighting facilities employed by the lumber industry are not adequate to properly cope with the hazard. Something different must be done—something better than has heretofore obtained must be designed to stop these ruinous losses.

"The cause, origin and circumstances of these fires have been investigated and we could expound at great length on the subject, and dilate on possible reasons for their occurrence. But I feel that the most important thing at the moment for the benefit of our country—the lumber industry, and for the insurance companies, if they are to carry on—is to stop these fires.

Prevention Plan

"With the fundamental desire to be constructive we will consider the prevention of fire and the protection of these vast piles of lumber when fire does occur, so that business may be carried on in a profitable manner without anxiety, worry and losses now so prevalent."

1. Two of the most necessary things in connection with my plan are conveniently available — water and space.

2. The lumber yard should be laid out with a minimum space between piles of at least 5 feet.

3. Individual piles should be limited as to area and height, with a maximum of 18 feet in width, 20 feet in length and 20 feet in height.

4. Piles should be grouped in blocks—with a maximum of eight units to a block, which would be approximately 50 x 87 feet in outside dimensions.

5. Blocks should be surrounded by fire breaks or roadways not less than 50 feet in width.

6. There must be a space of at least 400 feet between the mill, or any other buildings, and piled lumber.

7. Good housekeeping conditions should prevail throughout the plant, mill and yard, with the absolute elimination of weeds, grass and scrub.

8. Smoking or carrying matches should be positively prohibited in or about the plant.

Fence All Yards

9. The yard and mill grounds should be entirely enclosed by chain link fencing 8 feet high, with barbed wire overhang.

10. Gates should be kept padlocked when not in use. There should be a gateman whose duty it would be to register every person going into the plant, and see that those who entered also left the premises as soon as their business was concluded.

11. Only intelligent, able-bodied men should be employed as watchmen. They should be thoroughly instructed as to their duties and drilled in the handling of fire fighting equipment and apparatus.

12. The yard should be provided with a simple type of alarm system operating on a closed circuit, with disconnect switches provided so that the opening of one of these switches will sound an alarm, whether the alarm consists of a whistle, siren or some other noise-making device.

13. Flood lights should be used to illuminate yard and surrounding grounds.

14. A clearing of at least 100 feet in width should be made around the yard in which all scrub and weeds should be kept cut. If this belt can be kept plowed so much the better.

15. There should be a supervising inspector or fire chief whose duty it would be to see that equipment was at all times in first-class working order and that the watchmen carried out their duties.

16. All operatives should be registered and every person employed in the lumber industry—other than British subjects—should carry a passport as a means of identification. This would be a check on the large number of transients who roam around the country between camps, and in many ways are a menace to the industry.

Suggests Sprinklers

"Now we come to the question of protection.

"It is of little use to have watchmen patrolling a plant, or to install other means of detecting fire in a wood pile if adequate means are not provided to extinguish a blaze when it does occur.

"Ordinary protective equipment such as a fire brigade would provide, is out of the question. We must therefore plan something that is practical, efficient and cheap that will answer the purpose.

"My plan is the installation of a semi-deluge open head sprinkler system, with closed circuit fire alarm that will be transmitted from wherever the fire occurs.

"Sprinklers have been found practical and satisfactory in all kinds of commercial and industrial occupancies.

"When properly installed, with sufficient water supply at proper pressure, and the equipment maintained in a constantly operative condition, the automatic sprinkler has proven itself to be the most reliable and satisfactory fire extinguishing device in use.

"A representative tabulation has been made by the National Fire Protection Association over a period of thirty-eight years, showing the actual fire experience with automatic sprinkler equipments in sixty-five thousand nine hundred fires. The peak of sprinkler efficiency—97.4 per cent—was reached the year 1933-34.

Wonderful Service

"Imagine 32 firemen stationed around each block of piled lumber with hose nozzles in their hands ready to turn on 800 gals. of water per minute. Imagine further, that these men are on duty day and night and stick to their posts in spite of the heat and smoke of a fire and you have a graphic picture of the kind of protection furnished by my suggested plant.

"In the reduction of insurance rates that will eventually have to be charged, the installation of the sprinkler system should pay for itself in about four years.

"Our records show that the majority of big lumber fires occur in the summer months between June and September and not in the winter when snow covers the ground. These facts further support the practical efficiency of the suggested sprinkler system.

"After giving the whole matter considerable thought and study, and considering the importance of the industry from a national, international and provincial viewpoint—the enormous amount of capital invested—the magnitude of the insurance coverage, I urge in my humble way that those most vitally interested get together and in the spirit of patriotic service co-operate on some common basis or plan that will inure to the benefit of all."

"There are No Bargains In Life Insurance Policies"

Fortune's Story of Biggest Corporation in the World Tells Curt, Crisp Facts About Life Policy

Twenty or more pages of the August issue of "Fortune" are devoted to the story of Metropolitan Life Insurance Co.—the biggest company in the world.

By way of introduction some plain blunt facts are told about the life insurance contract. As they apply to every company, are of interest to every policyholder, some of the facts are quoted here:

Not Buncombe

"A lot of people will tell you that life insurance is buncombe. But anyone who is at all realistic, anyone whose point of view is not too mystical and other-worldly will perceive that the biggest company in the world could never have been built in buncombe.

"The fact is that in life insurance you get what you pay for, and you get something you can't get in any other way. You can't beat the life insurance mortality tables. You will die, on the average, when the insurance company says you will, and not before. The insurance company is willing to bet on it. And because the insurance company is willing to bet, you can arrange to have your relatives salvage something from the disaster of your death.

"What they salvage may be adequate or inadequate for their needs; the fact remains that they will get it. They will get exactly what you have paid for, worked out with a mathematical nicety.

Two-fold Function

"We have spoken of provision against death, for that is the primary function of life insurance. But the secondary—the provision for a sharp incentive to save—is important, too. Important in the social scheme, important as a reason why people take out insurance policies.

"And this may be the place to say that in life insurance you get what you pay for whether you get it from the Metropolitan or from any other reputable company.

Life Insurance Salesmen

"You don't need to be told that life insurance salesmen are numerous. They are so numerous, and so persistent, that it sometimes seems as though they must have inspired the old song: 'Shut the doors, they're coming through the windows; shut the windows, they're coming through the doors.'

"To hear them talk you would suppose that each of them had some unique plan, some great bargain to offer. They haven't. Years of competition in the life insurance business have resulted in the fact that every company offers just as much as it can safely and mathematically afford to. This has become the iron convention of the business.

Get Full Value

"The life insurance salesman will often try to sell you the policy that brings him the biggest commission. But no matter what the salesman succeeds in selling you—you will get full insurance value for what you pay. The Metropolitan, for instance, has a so-called super select policy.

"If you can get it, you will pay the minimum cost for straight life. But you won't be getting a bargain, for in order to get the super select you must be a super select risk as to health and mode of living. For there are no bargains, no unique values in reputable life insurance. A few dollars per thousand covers the difference between the average cost of insuring the same risk in any two companies."

Eelgrass Again Appears on Nova Scotia Coast

After an absence of three or four years, eelgrass is once more growing along the western coast of Nova Scotia. News of the reappearance of this marine growth is being received with much satisfaction by many people, as the loss of this valuable material, used largely in the building trade for insulation, was a serious one.

Products made of eelgrass are practically fireproof. On the Atlantic coast it is reported that a sturdy growth of the sea grass is already some six to ten inches in height.

Commercial Life Shows Large Gain

Appointment of two new branch managers and a substantial increase in new business written is reported by Commercial Life Assurance Co., of Edmonton.

The company reports that new business written in the first seven months of the year was 70 per cent above the corresponding figure of last year. Total business issued by the company last year was $922,000. Increases are also reported in premium income and interest income.

As part of a programme of development the company has appointed Dwight Hulbert, manager at Calgary, and Robert H. March, manager at Saskatoon.

HEAVY FIRE LOSS CALLED ALARMING

Fire Prevention Association Will Consider Trend at Annual Meet

Consideration of the fire loss as affected by business conditions and the possible bearing of insurance upon the alarming increase in fires will feature the first day's session of the annual meeting of the Dominion Fire Prevention Association held in Toronto, August 30 and 31.

The heavy increase in dwelling losses will be considered at the morning session on the following day, and what bearing plans for the abandonment of dilapidated dwellings and the adoption of home schemes will have upon this situation. Illustrations will be given of the British Housing and Slum Clearance programme.

The Friday afternoon session, commencing at 2 o'clock, will be devoted to consideration of the desirability of establishing National Safety Standards. Dr. H. M. Tory, president of the National Research Council will outline the existing situation and Professor Parkin will report upon the work already undertaken by the National Research Council in respect to the testing of oil-burners, matches, fire extinguishers and inflammable liquids.

The meetings of the Dominion Fire Prevention Association are informal, no papers are read, every interested citizen is invited to attend and anyone with special knowledge is urged to contribute to the programme. The organization is purely voluntary and is maintained by the Dominion Government solely in the public interest.

Toronto Mayor Requests Insurance Premium Report

Figures showing the annual cost to the city of fire insurance on civic properties and equipment, and how the rates charged compare with those paid in other cities, have been requested from the city finance department by Mayor Stewart of Toronto.

His worship has also asked how the losses incurred compare with the premiums paid, whether installation of the city hall sprinkler system reduced the rates at all, and whether extra rates have to be paid to ensure against damage done during operation of the sprinklers.

Fire Marshals Discuss Lumber Fire Prevention

Heavy losses through fires in lumber yards throughout Canada prompted discussion of the ways and means of controlling such fires at the annual conference of the Association of Canadian Fire Marshals and Fire Commissioners held in Toronto this week. The question of control and regulation of gasoline road trucks also figured prominently in the discussions.

Greater uniformity in legislation is being sought to facilitate greater co-operation among the officials of the various provinces with respect to suppression of fire losses and compiling statistics.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Should I Invest $500,000 in an Annuity?

I am a subscriber to The Financial Post and would like your opinion with regard to the advisability of purchasing an annuity by making a cash payment of $500,000, annuity to be paid to myself or wife during the lifetime of either.

I am 74 years of age and had in mind that the annuity might be worked out on basis of payments to either myself or my wife covering a period of 15 years. In the event of death of both parties before the end of that period, the unpaid portion to be paid over to my estate.

Is it advisable for me to make an investment of this kind rather than to invest the money in Dominion Government bonds?

Would the amount that might finally be paid over to the estate be subject to succession duties in the Province of Ontario?

There seems little doubt that a life insurance annuity in a first-rate Canadian company, if it could be obtained at a favorable rate, is one of the best investments obtainable at the present time and that the yield would compare favorably with the current rate on Dominion Government bonds. This assumes, of course, you appreciate that the two investments are not otherwise comparable in that the annuity provides for a return of capital, whereas the bond investment retains the capital intact.

The prime virtues of the annuity would be excellent security; elimination of reinvestment problems, and guaranteed cash repayment values. The annuity also provides for the maximum yield on capital and interest if the size of the ultimate estate is not the primary concern.

Rates Out of Line

Another feature of great significance at the present time is the fact that annuity rates currently quoted by most companies are out of line with the current return on government bonds and high grade investments. Thus, within the past month or so at least one company to our knowledge has arbitrarily refused to accept any payment in respect of immediate annuities, amounting to more than $50,000. The majority of Canadian companies are making a substantial increase in their annuity rates very shortly because they feel that at present rates they are losing money. Some companies are not even sure they can break even or make money at the new and increased rate.

The basic rate which many companies have used in computing their annuity policies in Canada has been approximately 4 per cent. That means the company, in making its calculation, assumes it will earn 4 per cent on its investment. Several companies, we understand, will cut this assumed interest return to 3½ per cent in making calculations for their new rates.

Succession Duties

As to your second enquiry, there seems to be unanimity among life insurance officials that the residue of an annuity of the type you suggest would definitely be subject to succession duties in Ontario.

The specific clause under which this money would be taxable for succession duty purposes is found in the section of the act in respect of types of property taxable under the act. Section 2-E includes specifically:

> "Any annuity or other interest purchased or provided by the deceased either by himself alone or in concert or by arrangement with any other person to the extent of the beneficial interest accruing or arising by survivorship or otherwise on the death of the deceased."

Not only would the residue of the annuity, therefore, seem to be taxable but unless care is taken there would be a possibility of double taxation in the event of the annuity-holder dying prior to his wife. If this occurred, his estate would be taxable for the amount of the wife's life interest in the annuity and subsequently upon the death of the wife the residue accruing to the estate (if the 15-year period had not elapsed) would, it is believed, be taxable also.

Special Plan

One suggestion in connection with this $500,000 investment, by one Canadian company is that you consider a special plan used with some success in the past for a situation of this kind. This plan entails no insurance feature in that it applies indiscriminately to applicants irrespective of their age. The plan, in brief, is as follows:

1. The applicant makes a lump sum deposit with the insurance company for, say, $500,000.

2. The company agrees to pay a guaranteed monthly income to the applicant based on a portion of the original deposit. This income is without any life contingency and is exempt from federal income tax up to $1,200. If the income were split and paid to the applicant and also to his wife, freedom from taxation up to $2,400 might, we believe, be arranged. Income would be payable for a fixed period, say, 15 years.

3. The remainder of the lump sum originally deposited would be put into an investment contract with the company for the same period of years for which the income is payable. At the end of that period the lump sum would be returned to the applicant and would be considered a return of capital rather than income and therefore not subject to income tax.

4. Subsequently, the proceeds of this investment contract can, on maturity, be left on deposit with the company for a guaranteed return of 3½ per cent, plus whatever interest earnings the company shows over and above that figure.

Yield Excellent

This contract has, we understand, achieved in some cases an actual improvement in yield as compared with what a purchaser could achieve through buying government bonds. This improvement, we understand, is due to the avoidance of income tax payments on a part of the amount involved. Other benefits are that it eliminates reinvestment problems; gives excellent security to the purchaser and also assures him of guaranteed repurchase values at any time. This would be as opposed to a more or less fluctuating market for his government bonds.

Whether the sum you mention ($500,000) would be accepted under this latter type of contract would be a matter of negotiation between yourself and the company.

Insurance Inklings

NORMAN B. McKIBBIN, C.L.U., general agent at Toronto of the Dominion of Canada General, will speak at the International Convention of Life Underwriters at Milwaukee, Sept. 26-28.

CLIFFORD F. PAFF was recently appointed representative in Sarnia of the Prudential of London, handling all lines of business for that company.

Lloyd's of London will offer 57,289,761 to one that you—if you are a female—will not have quintuplets. The odds against twins, triplets and quadruplets are given as 87 to one; 7,569; and 658,503 respectively.

Windsor - Walkerville Vocational School Board's new insurance plan, recently approved by the finance committee, has been passed by the board. Under the plan, Employers Liability Corp. will write the whole amount formerly placed with over 40 companies.

CREDIT FONCIER PROFITS $782,588

Reduction Chiefly Due to Larger Provision for Possible Losses

Net profits of Crédit Foncier-Franco-Canadien dropped to $782,588 in 1933 from $1,459,505 in 1932. A dividend of 100 French francs a share was paid compared with 200 francs in 1932.

The drop in profits was due chiefly to provision of $875,000 as a reserve against possible losses on loans, compared with a provision of $300,000 in 1932. Interest income actually showed a gain in 1933.

Debentures outstanding showed a reduction of $1,138,000 in 1933, and mortgage loans declined from $41,096,669 to $38,967,761. Total reserves showed an increase of some $500,000 in 1933.

Assets—	1933 $	1932 $
Mortgages	38,967,761	41,096,669
Other loans	3,764,213	3,505,831
Office premises	735,000	735,000
Cash, etc.	8,219,065	7,968,739
Total	51,686,039	53,306,239
Debent. outstand.	19,341,924	20,480,282

Reserves and Earnings Record

Year	Reserves	Net Profits	Div. paid per sh.*
1928	$17,443,245	$1,912,767	375
1929	17,667,446	1,939,607	390
1930	17,808,630	1,942,809	390
1931	18,086,704	1,690,544	340
1932	18,191,988	1,459,505	200
1933	18,695,467	782,588	100

*Fr. Frs.

Gypsum Output Doubled

Output of gypsum in Canada during May reached a total of 53,353 tons as compared with 25,483 tons in the preceding month and 33,400 tons in May, 1933.

SPONSORS URGING LAND SETTLEMENT IN NORTHERN B. C.

Transfer of Families from Prairie Drought Areas Sought

From Our Own Correspondent

VANCOUVER. — Settlement of several sections of central British Columbia and the Peace River country is hoped for here as a result of the efforts being made by the federal government in co-operation with the Canadian railroads to shift families from the drought areas on the prairies to a more advantageous location.

The drought situation is being used here as an argument in favor of early action toward improvement of the transportation facilities to the north. Sponsors of extension of the Pacific Great Eastern Railway believe that desirability of the Peace River area for agricultural purposes should hasten construction of the P.G.E. to Prince George and thence northward, and Premier Pattullo, who has been urging the Ottawa administration to take over the road at its replacement value, will probably emphasize the present drought conditions as an additional point in favor of such a deal.

Another Plan

Meanwhile, British Columbia has grown a new crop of land settlement theories and proposals. One of them has originated with A. J. B. Fell, who has had a good deal of experience in land settlement as agent for the provincial government in selling Sumas reclomation and other lands. He has laid his proposal for the settlement of up to 5,000 families before the economic council of British Columbia, known familiarly as Pattullo's "brain trust" and headed by Dr. W. A. Carrothers. Mr. Fell would utilize a part of the 1,000,000 acres of land held by the Government contiguous to the Pacific Great Eastern Railway, and he would also link up his colonization scheme with the proposal of United States interests to build a highway from Washington state through British Columbia to Alaska.

Fanny Farmer Candy Earnings Up Decidedly

Fanny Farmer Candy Shops Inc. sales are reported to have shown a decided increase for the current year to date over the same period in 1933.

If the improvement continues earnings on the common stock are expected to equal those of 1930 when $2.46 per share was reported.

GAINS REPORTED AT MUTUAL LIFE AGENCY MEETING

Six Months Figures Given at Convention of Leaders

Improvement in the company's investment position and a falling off in the demand for policy loans was reported by W. H. Somerville, general manager of the Mutual Life of Canada at the recent convention of the company's leading underwriters held at Murray Bay.

Total assets were reported at $136,200,000 at the end of June, 1934—a gain of $3,700,000; bond investments were higher by $4,769,000.

"Our holdings of fixed interest-bearing securities have appreciated very substantially in value," said Mr. Somerville. "For instance, the book value of our bond holdings at the end of last year was $55,854,547, and the market value was then estimated at $53,241,233. The market value was thus $2,613,314 less than the book value. The book value of our bond holdings on June 30, 1934, had increased to $60,624,136 and we estimate the market value of these bonds at that date was $62,236,604; so that in place of having market values less than book values, the reverse is now the case, and the excess of market values over book values on June 30 was $1,612,468, a total reversal in our favor of $4,225,782 since December 31, 1933."

Mortgage Repayments Better

A small increase in cash repayments of principal and interest on western loans was also reported for the first half of 1934. Respecting policy loans it was stated that fewer people were applying for loans and repayments were greater.

W. Carlisle, superintendent of agencies, reported gross new paid for business for the first seven months of 1934 as $5,464,000 ahead of last year and insurance in force up by $2,800,000.

SHOW WILL FEATURE CANADIAN PRODUCE

National Produced-in-Canada Association Sets Nov. 7 to 17 for Show

The seventh annual National Produced-in-Canada Exposition will be held in the Sun Life building from November 7 to 17. The industrial display, under the auspices of the association—which is section of the Canadian Manufacturers' Association—is claimed to be the Dominion's second largest exhibition and the largest display of exclusively Canadian products.

In February past, the sixth show was held, the change to November being made in the hope of better weather conditions in that month with a consequent increase in patronage. Actually, however, the last show was the most notably satisfactory of all from the standpoint of interest by the public and business done by the exhibitors.

The executive committee, composed of officers of the Produced-in-Canada Association (Quebec) Inc., is headed by B. W. Coghlin. Assisting him are James H. Webb, Dominion president of the Canadian Manufacturers' Association; E. Howard Smith, chairman of the Quebec Division, C. M. A.; Louis Armstrong, chairman of the Montreal Branch, C. M. A.; N. C. Colson, Jr., James Beaubien, A. McA. Murphy, P. Edward Joubert, F. McKinley, and R. W. Gould, secretary.

Twelve Firms Make Lasts

Of the twelve firms in Canada making lasts, trees and wooden shoe-findings, eight are in the Province of Quebec.

EXPECT REPORT FAIR EARNINGS LOEW'S THEATRES

Statement Promised in Few Weeks — Two New Directors Added

Marcus Loew's Theatres, Limited, annual statement is expected within a few weeks of the close of the company's fiscal year on August 30, 1934. At a special meeting of the shareholders last July, the fiscal year was changed from the first Saturday in January to the last theatre week in August. At that time, too, room on the Board of Directors was made for J. W. Bicknell and F. M. Kimbark.

This addition to the directorate and also the decision to have an all-Canadian audit made of the company's books followed the request from the shareholders' committee at one of the July meetings.

The statement now being prepared will cover the 20 months' period from January 5, 1933. Allowing for the extra months covered by this, it is expected that about as good a showing as for the previous period will be reported. The Financial Post understands that the theatre of the company in Toronto has been drawing good crowds.

For the year ending January 5, 1933, Loew's Theatres earned $13.47 on the preferred shares and $5.64 on the common, but no dividends were paid on either stock. Since the close of the last fiscal year, the last of the company's outstanding bonds, amounting to $43,000, have been retired leaving the 7 per cent preferred stock as the senior security.

FIDELITY
Insurance Company
of Canada
TORONTO

Established 1869

Strength•
Stability•

Assurances in Force (Dec. 31, 1933) $518,521,336.00
Assets $138,912,508.00
Surplus Funds and Contingency Reserves $11,917,520.04

A Purely Mutual Company

Every dollar of surplus earnings belongs to policy-holders and is either actually paid or allotted as cash dividends or held in trust for future distribution.

THE
MUTUAL LIFE
Assurance Company
OF CANADA
HEAD OFFICE - WATERLOO, ONT.

1884 - 1934
The
GOLDEN JUBILEE
of this all-Canadian Insurance Company finds it firmly established in financial security and in the confidence of the growing numbers of policy holders it is privileged to serve.

PORTAGE MUTUAL INSURANCE CO. MUTUAL SERVICE WITH SECURITY

The
PORTAGE LA PRAIRIE
Mutual Insurance Company
Portage la Prairie, Man.

TORONTO VANCOUVER EDMONTON MONTREAL
77

NORTHWESTERN MUTUAL
FIRE ASSOCIATION
SEATTLE WASHINGTON
HEAD OFFICE FOR CANADA
HAMILTON ONTARIO
WRITING FIRE AND AUTOMOBILE
INSURANCE AT COST. ASSETS $4,616,419.70

BRANCH OFFICES
Toronto
Ottawa
Vancouver
Victoria
Edmonton
Calgary
Saskatoon
Winnipeg
Montreal
Quebec City
St. John
Halifax

ALL POLICIES NON-ASSESSABLE PAYING
DIVIDENDS RANGING FROM 20% TO 30%

"Canada's Largest Fire Mutual"
WMIC
The WAWANESA MUTUAL
INSURANCE CO.
HEAD OFFICE—WAWANESA, MAN.
Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.
FIRE WINDSTORM SPRINKLER LEAKAGE AUTOMOBILE
LIABILITY DOCTORS AND DENTISTS LIABILITY PLATE GLASS
Insurance in force .... over $243,000,000
APPLICATIONS INVITED FOR AGENCIES IN ALL PROVINCES
Eastern Offices: 341 CHURCH ST., TORONTO

"Appreciate Prompt Settlement"
"Will Always be Remembered Most Gratefully"
"Kindness and Consideration Much Appreciated"

THE COMMERCIAL LIFE ASSURANCE CO OF CANADA

"Appreciate prompt settlement"
PRINCE ALBERT, Sask.
The Commercial Life Assurance
Company of Canada,
EDMONTON, Alberta.
Dear Sirs:
I have today received cheque for $1,500.00 made payable to me in respect to policy on my deceased husband. I appreciate very much your prompt settlement under this policy.
Yours very sincerely,
(Signed) VALEDA BELAIR.

"Will always be remembered most gratefully"
EDMONTON, Alberta.
The Commercial Life Assurance Co.
Dear Sirs:
Upon the maturing of one of your bonds I am only too glad to express my appreciation of the prompt, courteous and efficient service rendered by those in your employ with whom I have done business.
Not alone that, but the kindly treatment I received while absent from the City, ill, will always be remembered by me most gratefully.
Yours sincerely
(Signed) LEILA A. HUESTON.

"Kindness and consideration much appreciated"
EDMONTON, Alberta.
To the Manager,
The Commercial Life Assurance Co.,
EDMONTON, Alberta.
Dear Sir:
I would consider it a privilege to be allowed to express my sincere thanks to you, your staff, and the Company for the very prompt and considerate manner in which you took care of my very recent claim. Everything was so briefly arranged, no unnecessary questions asked, no undue fuss or mistakes, and at a time when such kindness and consideration is so much appreciated.
Your representative, Mr. Grais, was very courteous indeed.
It is with thanks to all concerned, I beg to remain,
Yours truly,
(Signed) MRS. WM. SOUTER.

FROM LIVING POLICYHOLDERS AND ANNUITANTS

"Surprised and delighted"
PASADENA, Calif.
The Commercial Life Assurance
Company of Canada,
EDMONTON, Canada.
Dear Sir,
I was surprised and delighted over the very prompt way you completed my application and remittance for a further addition to my Annuity.
We wish your Company continued prosperity and success through A.D. 1934 and for many years thereafter.
Yours sincerely,
(Signed) EDGAR RICHARDSON.

"No hesitation in recommending The Commercial Life"
VANCOUVER, B.C.
The Commercial Life Assurance Co.
EDMONTON, Alta.
Dear Sirs,
This acknowledges receipt of cheque covering Gold Bond held by the writer which matured May 1st, and which was mailed to me promptly.
I wish to thank you for your promptness at all times to any matter concerning the above Bond and would certainly recommend The Commercial Life to anyone contemplating Life Insurance.
Wishing your Company every success in the future.
Yours very truly,
(Signed) H. BILLINGTON.

"Heartily recommend this method"
EDMONTON, Alta.
The Commercial Life Assur. Co.,
EDMONTON, Alberta.
Dear Sirs,
Please accept my sincere thanks for your immediate settlement of matured gold bond $1,000.00.
May I add that I heartily recommend this method of saving, particularly to young wage earners.
Yours very truly,
(Signed) (Miss) AMY UGLOW.

70% INCREASE IN NEW BUSINESS
FIRST SEVEN MONTHS OF 1934
OVER FIRST SEVEN MONTHS OF 1933

Representatives will be appointed in all districts in Alberta, Saskatchewan, British Columbia and Manitoba where The Commercial Life is not already represented. Apply Agency Department.

THE COMMERCIAL LIFE
Assurance Company of Canada
Head Office: EDMONTON, CANADA

News of Canadian Mining Investments

The Week in Mining

All Stocks Down

PROFIT-TAKING forced prices on the mining section of the Toronto Stock Exchange generally lower early in the week. Moderate selling pressure, especially in the senior and intermediate issues, resulted in many of the gains registered in the previous week being lost. While volume of trading was not heavy, selling pressure was fairly general throughout the list.

Of the senior golds, Teck-Hughes and Hollinger were the only active issues. The latter has lost all the ground gained when it broke through the $20 mark a little over a week ago for the first time in seven years to register a new high for the year. On Tuesday it sold for $18.65, down $1.45 from its year peak. Teck-Hughes also showed a substantial loss.

Junior golds have showed a reversal of the buoyant tendency which they displayed in the previous week when they were the feature of trading, and have been generally softer. Outside of one or two strong spots losses have been general throughout the junior list. Pickle Crow, Bobjo, McMillan, Greene-Stabell, Central-Patricia and Thompson-Cadillac are among those which registered losses.

Howey, God's Lake, Buffalo-Ankerite and Gunnar Gold are the more important of the intermediate issues which lost ground.

* * *

Hedge For Inflation

INTERNATIONAL Nickel is being cited as a good hedge against inflation. The large profits for the first half of this year are taken to indicate the company's strong recuperative qualities at a time when business is still far from booming.

Among Nickel's advantages are its near-monopoly of the world supply of nickel for which a stable industrial demand has been built up over many years, its enormous ore reserves, and availability of accurate information on operations and earnings.

While the company earned $10,012,642 in the first half of the year, it may not do quite as well in the second half because the peak of demand from the U. S. motor industry is reached in the first six months period. Nevertheless, the nature of the company's business provides a hedge for inflation, although the yield at $25 a share on a 40-cent annual dividend is only 1.6 per cent. Even a war would be unlikely to have other than a favorable effect on earnings. Revival of rail and construction industries would help the company greatly.

* * *

Expert Opinion

NO INDUSTRY in the world has "given the laugh" to expert opinion more frequently than has the mining industry. In perusing an old volume "The Gold Mines of the World" second edition published in 1902 and written by the world-famed mining engineer, J. H. Curl, a Toronto mining man recently stumbled across the following paragraph.

"Ontario as a gold producer is so far a failure. Quite a number of places are known in this great territory where gold is found and no end of official literature on the subject is turned out; but as for mines showing any signs of performance,—they simply do not exist; and the shares of those already floated are nearly all worthless."

Of the 242,713 ounces of gold produced by Canadian mines in June of this year, Ontario contributed 169,445, or more than two thirds of the total.

* * *

Index to Mining Stocks

THE weighted index number of twenty-three mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 142.5 for the week ending August 23rd, as compared with 141.7 for the previous week.

Nineteen gold stocks rose from 137.5 to 138.8, and four base metals stocks fell from 164.0 to 163.2.

BOB TOUGH PLAN TO START SHAFT

Action Follows Recommendations of Company Engineers on "B" Showing

Directors of Bob Tough Gold Mines meeting in Hamilton recently, decided to start shaft sinking with a three compartment shaft on their property on the north shore of Moose Lake in McKinnon Twp., Ontario. In a progress report, recently issued over the signature of D. B. Ratcliff, managing director, it is stated that sufficient funds are in the treasury to purchase the necessary machinery and additional finances are definitely assured to get the work under way immediately. It is stated that after the property is brought to the mill stage there will still be sufficient shares in the treasury to finance the building of the mill.

On the recommendation of Douglas A. Mutch, and A. Rosenland, company engineers, work will start on the shaft on "B" showing which is the location of the most recent diamond drilling. Machinery has already been purchased for this work and also the lumber for the extra building, and these supplies are now being moved into the property. The present objective of the company according to Mr. Ratcliff is to complete the shaft to a depth of 500 ft. by October.

Falconbridge Nickel Pays 10 Cent Dividend

Falconbridge Nickel Mines last week declared a dividend of ten cents per share on the company's outstanding capitalization, payable on Sept. 27, 1934, to shareholders of record Sept. 12. With this payment total disbursements for the year will amount to 20 cents per share. In announcing the declaration directors stated that this does not reflect a regular quarterly dividend of this amount, but represents the board's desire to distribute available funds as they accumulate in excess of the reserves necessary for the conservative financial requirements of the company.

See 100-Ton Capacity Mill Limit for Reno Property As Output Keeps Mounting

Developments Indicate B.C. Company Will Maintain Rôle of Rich Small Mine

MAY SET RECORD

Longer Lengths and Wider Widths Necessary Before Large-scale Production Possible, is Belief

From Our Own Correspondent

VANCOUVER.—With production steadily increasing for a period of over a year, it is expected that Reno Gold Mines, banner property of the Sheep Creek gold camp, will in 1934 set a new production record for itself and materially better the $338,636 gross value attained in 1933 from 21,967 tons of ore treated. Conditions at this property at the moment are in better shape than they have ever been before and officials of the mine are free in paying tribute to the work of Irvin M. Marshall who has just resigned as managing director and general superintendent.

Indicative of the almost phenomenal progress in this comparatively young property, are the production figures for the past five months which have been as follows:

Five Months Production

March	$31,322
April	38,003
May	53,503
June	60,050
July	68,658

Despite this steady progress, however, The Financial Post learned that among expert observers who have been following the progress of this mine, the consensus of opinion is that 100 tons per day is about all that it can stand without straining the mine. This will provide for development and exploration at the rate of 200 ft. of depth per year and it is thought that that is all that can be economically accomplished from a single shaft. It is generally believed, however that if wider width and longer length of shoot or both are encountered at greater depth, there may be a chance of increasing daily tonnage. The chance of longer lengths is very dubious, but engineers familiar with the property inform The Post that wider widths may be met with as the widths on the sixth level are apparently a little wider than those above. In any event, it is considered that a year or more of development work will be necessary before it can be definitely ascertained whether or not Reno will make a big mine.

Speedy Shaft Sinking

A recent visit to the mine showed that the westerly ore shoot of the lowest level, the sixth, is 300 ft. long averaging 1.59 oz. across 2¾ ft.; the easterly ore shoot recently encountered to a length of 210 ft. shows 2½ ft. in quartz averaging over an ounce in value with good widths and values still showing.

The shaft is going down at the rate of over 200 ft. a month and promises to become a record breaking sinking operation for B.C. Assured ore reserves show a good increase over the estimate of a year ago. Tonnage has been increased by nearly 60 per cent extraction and recovery is much improved; head values are higher, being raised from about .4 to over .7 oz. a ton and the value of gold production has been doubled. Under the régime of Mr. Marshall all improvements to plant and increased production costs have been paid out of earnings with an increased cash balance and outstanding bullion.

Striking Transformation

It will be recalled that at the time Mr. Marshall took control of this property, the outlook was not bright. The property was losing money and the equipment was far from reliable.

By the end of 1933, liquid position had improved, ore reserves were up and ore prospects brighter and operations were definitely on a profitable basis after liberal reserve for depreciation and depletion. For the calendar year ended December 31, 1933, the gross value of production was $338,636 recovered from treating 21,967 tons of ore. The total yield consisted of 11,501 oz. of gold, 3,240 oz. of silver and 21,967 lbs. of lead.

Widely Distributed

During 1933, the mill operated on a scale ranging from 53 tons a day at the start of the year to 80 at the end. At the present time, Reno Gold Mines employs 150 men inclusive of staff and has a monthly payroll of $16,000. Despite the fact that physical operations are widely distributed, by the use of aerial tramways there is little waste of energy.

The mine is now getting its ore from three levels, amounting in the aggregate to 100 tons a day. From the 400-ft. level this ore from the east end is being chuted down to the 500-ft. level, 4,000 to 5,000 tons having been broken down before the big shaft was started. When this broken ore is cleaned up the 400-ft. level will be through production. Most of the ore now being mined is from the 500-ft. level, or working level, 2,400 ft. in length of which the first 1,000 ft. is cross-cut. From the floor of this level, the incline shaft to the 600-ft. level was sunk at a distance of 1,100 ft. from the portal and the new shaft is 1,000 ft. farther along.

Mill Modern One

The present mill is a modern one, and is utilizing the most modern cyanide processing as adapted for the Reno ore. About 50 per cent of this ore's gold content is free milling and that is recovered by physical processes, leading to amalgamation, while the bulk of the gold in combination with the sulphides is recovered by chemical action. Total recoveries are stated to be around 97 per cent. With the object of increasing effectiveness Mr. Marshall has materially manipulated the flow sheets and realigned the plant to suit conditions.

Reno will shortly be operating under commercial power as the West Kootenay Light and Power Company is rapidly finishing its power line into the Sheep Camp.

Cariboo Area Adopts Own 'Gold Standard'

Whatever other areas of the globe may do, the Cariboo gold mining area of British Columbia, wishes to announce that it has once more adopted a "gold standard."

For years in most of the local business houses, gold scales of former days, used to weigh the gold dust, have been stored away in attics. Now advice from the West indicates that gold dust is again becoming commercially important and it is being freely exchanged across the counter for grub and equipment.

"Economists" in the Cariboo area are convinced that the return of the gold poke heralds the final conquest of depression — locally, at any rate.

BOBJO HOLDINGS INCREASE VALUE REPORT SHOWS

Market Value More Than Double Figure at End of March

Investments of Bobjo Mines have shown a marked appreciation in value since the close of the company's fiscal year on March 31, an interim report covering the company's financial position as at August 10 reveals, the market value at the latter date being $1,805,000, as compared with approximately $850,000 at the end of March.

Bobjo Mines, which operates as an exploration and holding company, has been particularly fortunate in its undertakings. The company was active in providing the preliminary finances of San Antonio Gold Mines and at the present time owns 100,000 shares of stock in this company which is the largest gold producer in Manitoba. As at August 10, the market value of this stock was $570,000.

Bobjo also supplied the original leadership and one-half the cost of the exploration party which discovered the God's Lake Mines property, one of the most promising gold properties under development, and at the date of the interim report owned 250,000 shares of God's Lake Gold Mines stock, valued at $687,500.

Liabilities Under $1,000

The company also owns 650,000 shares of Manitoba and Eastern Mines and has a further 1,050,000 shares under option. The market value of the shares owned, plus market equity on shares optioned totals $463,700. Six thousand shares in Forty-four Gold Mines have a value of $84,000, bringing the total of $1,805,200.

In addition to the above Bobjo Mines also has investments in a number of other properties "with values that cannot be determined at this time. It owns over 85 per cent of the outstanding stock of the Atlin-Ruffner Mines, a silver and lead prospect in British Columbia, which is now being actively explored. On March 31 last this investment was carried at a book value of $511,557.

Current assets as at August 10 totalled $228,586 as compared with $137,098 at March 31. Current liabilities were less than $1,000.

Bobjo Mines has an authorized capitalization of 5,000,000 shares of $1 par, of which 4,185,462 shares are outstanding and under option. As at March 31 the outstanding capitalization was 3,644,062 shares.

Bullion Movement in United Kingdom

The following were the United Kingdom imports and exports of gold registered from mid-day on the 4th inst., to mid-day on the 13th inst.:

Imports

Belgium	£ 26,000
France	28,369
Switzerland	26,070
Egypt	13,272
Venezuela	18,567
Bolivia	298,914
British South Africa	1,984,978
British West Africa	124,456
British India	664,739
Australia	59,842
New Zealand	18,477
Other countries	31,608
	£3,295,292

Exports

Belgium	350,830
France	327,319
Switzerland	139,650
Portugal	289,812
United States of America	2,070,439
Other countries	9,765
	£3,187,815

Drilling at Lebel Oro Proves Disappointing

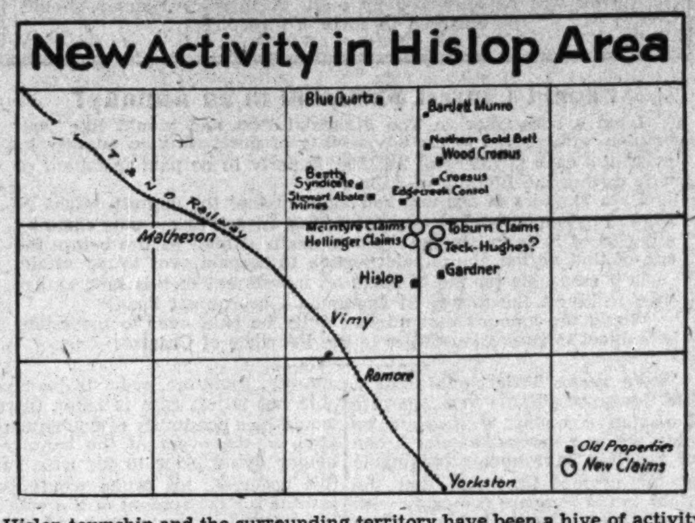
From Our Own Correspondent

SUDBURY.—A short campaign of diamond drilling on the Long Lake property of Lebel Oro Gold Mines, by Smith & Travers Co. of Sudbury, has been completed, and according to announcement from head office of Lebel Oro, no values were obtained in the drill holes. The drilling was undertaken for the purpose of proving up a second section near the old workings of 16 or 18 years ago

In the meantime steady progress is being made by Shoemaker & Burnham, of Toronto, in construction of the 200 ton mill being erected for the purpose of treating the tailings from the former operations, estimated to amount to about 140,000 tons. Sampling of the tailings had indicated values of .09 gold per ton.

It is expected the mill will be ready for operation before the end of September.

Many Claims Staked in Hislop Area



Hislop township and the surrounding territory have been a hive of activity during the past few months. Hislop township and the adjoining township on the east, Guibord, have been staked almost solid. Many companies, including some of the major gold producers, have staked or acquired properties in the area. The above map shows the location of some of the properties, including the Brennan claims on which Hollinger has obtained very favorable results.

N.Y. Economist Sees Mining First To Regain Its Feet

"We Go Down Together, and Get Up One By One," Says Charles A. Clements

Charles A. Clements, free lance, New York economist, only "talks" on an average of once every four years, but when he does, he is usually listened to, because what Mr. Clements says is going to happen, often has a strange way of happening.

Recently, while in Toronto, he "talked" to The Financial Post, about mining in general and Canadian mining in particular, which is interesting because he has just finished a trip across Canada, made for the express purpose of studying Canadian mining.

Mr. Clements has his headquarters in New York, but is not tied to that city. In fact he is not tied to any place or anybody in particular. Which adds force to whatever he has to say, because he is his own master.

"When you're your own master," says Mr. Clements, "you can say what you dashed well please."

In 1920, he was "dashed well pleased" to say what he thought of European conditions at the time, and the dire effects they would have on world economic conditions.

In 1929, he was "dashed well pleased" to predict the brief but merry bear market and its consequences. At this time he advocated a world-wide lowering of the gold standard, claiming that gold had too much work to do, and was bound, unless the world eased up on it, to grow over-tired. At this time, also, Mr. Clements estimated that the total security for loans outstanding in United States was 34.8 per cent of the total loans, and that trouble was bound to follow.

"Collapse" in Gold

In 1932, he was pleased to advocate stock market buying, setting the actual date on which the low mark was reached.

In February, 1933, he said it was time to buy gold stocks, and in two weeks the rush, which has not yet slackened, started. Later in the same year, Mr. Clements was pleased to answer Major Lawrence Lee Bazley Angas, and his "Coming Collapse of Gold." Shortly after Mr. Clements' answer was circulated widely among brokers, and investors, Major Angas retracted his startling prediction.

This represents the sum total of Mr. Clements' appearance in print. "If a man talks too much, he is either insincere, or he will have to retract a good deal of what he says," is one of Mr. Clements' axioms.

In studying the Canadian mining picture, Mr. Clements was looking for only one thing — substantiation for his conviction that the mining industry is more dependent on economics than any other industry. He thinks he has found this substantiation.

Down Together—Up Singly

"With the present tendency for labor to get more of the selling price of an article, and with taxations and other factors the way they are, I am convinced that we will have to get, from an investment point of view, nearer to the raw product than the finished article." he told The Financial Post. Then came a statement which has become definitely linked with this economist:

"When a collapse comes, we all go down together. We get up one at a time."

And here lies Mr. Clements' interest in mining. He believes that the mining industry is starting to get up. And by that he means steadily, firmly, up.

"Some industries, of course, by a shot of oxygen, if you like to call it that, stage a temporary recovery and rise rather groggily to their feet. But at the first tap, down they go again."

Asked if he saw any particular metal scrambling to its feet ahead of the others, Mr. Clements smiled and generalized. He was talking of the industry as a whole, he said, and would not be drawn into any prognostications as to what one particular metal, such as gold, would do.

Stresses Economics

"I'm taking the mining industry as a whole," he said. "There's one thing that all investors must realize, and that is that mining must be approached from an economic point of view. You can have all the ore reserves you want, but if it cannot be marketed profitably the particular company owning the property is, for the time being, worthless from an investment point of view. The two basic tests are, (a) is there ore there, and (b) can it be taken out profitably."

He used South African mining as an illustration. While gold was still at $20.67 an ounce, it was estimated that if operating costs could be reduced only five per cent, it would increase the ore reserves by two years, or add $400,000,000 to the annual value of South African gold output.

"That shows the importance of economics in mining." he pointed out.

"Another feature that gives mining the advantage over other industries is that while ore is a wasting asset if the mine is being worked, during times of economic stress, the asset does not depreciate. In what other industry is this true?"

One Criticism

Mr. Clements had one criticism to offer of present Canadian mining policy, and that was the stress laid by both promoters and investors, on keeping the net cost per ton down. This problem should be approached, in the opinion of this economist, from the ounce of gold rather than the ton of ore. Thus, miners should do more selective mining, cutting down on the amount of country rock mined. This, he qualified, was, of course, only true in certain mines, where, he had noticed, the tendency was to concentrate rather too much on getting the ore out cheaply, instead of getting the gold out cheaply. This, he said, just came back to the point he was stressing, the need for an economic viewpoint in mining.

Mr. Clements says he has gained a lot from his at-the-mine study of Canadian mining. Judging from one of his remarks, Canadian mining may gain a lot from his visit. Asked what his immediate plans were, Mr. Clements replied:

"I am going, among other things, to visit London, where I will point out to the British market that Canada is not represented by the skeleton of the Grand Trunk Railway, Nipissing, or Cobalt, but by a geological formation known as the pre-Cambrian shield, covering a great area of Canada, in which minerals of Hypogene origin have been intruded and that the earth's disturbances since then have been of a minor nature, as is shown particularly in two main fractures, the height of land running through Quebec and Ontario and one from Idaho, through British Columbia to Alaska. I am going to point out that over a number of years the average ore per ton has varied very little. I am going to say that the British investor has suffered in the past from poor economic selection, and not because Canada has not got the minerals."

Asked how he viewed the present tendency to invest in commodities, as opposed to mining stocks, Mr. Clements replied:

Triple Guide to Investors

"With the amount of money in the world today, one cannot expect an investment to pay more than four per cent. If you want to speculate, out and out, it doesn't matter which you get into. But you have to remember that in commodities there is a double risk. In addition to the natural hazards which you have in mining you have the danger of untoward natural conditions, such as a drought or super-abundance, which nobody can forecast. In mining you have not this hazard. The market is a world market, and the price of metal in Shanghai will be approximately the price in New York, or Toronto."

In concluding, Mr. Clements gave the three "basic and most important rules" to anyone investing in mining stock.

"Never consider the proposition unless (a) it is fully financed, or definitely will be. (b) unless it has a thoroughly experienced engineering staff and (c) unless the management is sound, and is palpably out to make a mine and not mine the public."

Wingold Mines Reports Second Vein Intersected

Officials of Wingold Mines report that a second vein showing free gold has been cut on the 150-ft. level of the company's property, adjoining San Antonio Mines on the northeast, in the Rice Lake district of Manitoba. The vein which was intersected 22 ft. north of No. 1 vein is reported officially to be 6.5 ft. wide.

Vein No. 1, which showed a width of seven to eight ft. where it was intersected by the crosscut, has been drifted on for a distance of about 40 ft., disclosing the same structure and same widths.

Lateral development on the 150-ft. level has been temporarily suspended in order that shaft sinking to a depth of 275 ft. may be proceeded with. It is planned to cut a station at this depth and then to proceed with lateral development on both levels concurrently.

RUMORS START STAKING INFLUX IN HISLOP AREA

Reported Results From Hollinger Work Make District Interesting

As result of the rumors regarding the results obtained by Hollinger Consolidated Gold Mines on the Brennan claims in Hislop township considerable staking and exploration have been done in the surrounding area in the past few months, The Financial Post is informed. Not only has Hislop township been staked almost solid but also the adjoining township of Guibord on the east.

Interest in the area has also spread to the townships of Beatty and Munro, immediately to the north of Hislop and Guibord, where active development work is being carried on by a number of companies. While most of the properties are in the early development stage results to date have been very encouraging. Reports from the area are enthusiastic, and it may be that another gold producing area is in the making. It is pointed out that the geology of the area is analogous to that of the producing Porcupine area, which is 45 miles to the west. The old Croesus mine which at one time produced some of the highest grade ore milled in the province is located in Munro township.

Big Fellows Interested

Hollinger is not the only large mining organization which is interested in properties in the area, it is understood. It is stated that several of the larger Canadian mining companies have staked or acquired claims. While definite information on this point is lacking, The Financial Post is informed that McIntyre Porcupine Mines is among those which have acquired a property. This, however, could not be confirmed in official circles. It is also rumored that Teck-Hughes and Toburn Mines are interested in groups of claims.

The operations of Hollinger Consolidated in Hislop township are being watched with considerable interest, current reports being that assays have shown rich values. For nearly a year Hollinger has been working on the Brennan claims which are located near Raymore. At first diamond drill results were so various that it was difficult to determine whether commercial ore existed. Recently, however, results have been very favorable and development work is being pushed in a vigorous way. Two lenses of ore have been indicated by diamond drilling. Shaft sinking is being proceeded with. Large scale sampling is planned as soon as lateral work commences.

Stewart-Abate Active

Operations on the property of Stewart-Abate Mines, which is situated in Beatty township, are to be resumed, The Financial Post is informed by W. T. Stewart, president of the company. The property has been idle for several months. A block of 500,000 shares has been underwritten by Mineral Resources and will shortly be offered to the public at 40 cents a share, to net the treasury of Stewart-Abate in the neighborhood of 26 cents a share. With the funds thus provided it is planned to resume diamond drilling near the western boundary of the property where it is claimed favorable mineralization has been exposed. Stewart-Abate has an authorized capitalization of $3,000,000 of which exclusive of the current offering about $1,300,000 is outstanding.

Edgecreek Consolidated which is developing a group of claims just east of the Stewart-Abate property reports that diamond drilling is being continued. The shaft on this property was down to a depth of 40 ft. when an influx of water from a nearby swamp stopped operations Other properties under development in the area include those of Blue Quartz, Northern Gold Belt and Talisman Mines.

JELLICOE DISCOVERY BELIEVED IMPORTANT

Diamond Drilling Programme to Explore New Zone

The largest porphyry dyke found in the Little Long Lac area to date has been discovered on the property of the Jellicoe Gold Mining Co., which is developing a group of 29 claims adjacent to the property of Bankfield Mines. The discovery is believed to be of special significance in view, of the fact that the ore bodies of the camp are located either in or along the contacts of porphyry masses. A deep trench has been dug exposing the formation across the strike for several hundred feet.

Results of development work have been very encouraging, officials state, and two diamond drills and a crew of 24 men are engaged in opening up this new zone. Sampling to date has established the fact that low gold values occur over a widespread area.

Indians Show Interest In Shenango Strike

From Our Own Correspondent

SUDBURY. — Reports reaching here from Elsas over the week-end were to the effect that development of Bill Robillard's find in Shenango township is continuing with encouraging results. The work is being sponsored by the Swayze Lake Gold Syndicate.

Surface work is advancing on the main break of the area, which has an average width of over 50 ft. and a proven length to date of 355 ft. Some surface work done on a claim located one mile west has disclosed the continuation of this important break.

A Toronto dispatch stated that preparations have been made for diamond drilling, and that a machine is being sent to the property by express. Indians in the vicinity are showing interest in operations. They are making excursions into the bush and are bringing back for examination samples of rocks secured in their trips.

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Hint Big Mines Plan To Build Own Power Site

Power developments, centring around the rapidly expiring contracts which Noranda and Hollinger have with Canada Northern Power Corp., are looming in the north, The Financial Post learns from sources close to the involved parties.

Hollinger and Noranda are the only major mining operations which have not a life-of-mine contract with Canada Northern. Accordingly, it is seen as significant that Noranda, which has its own power site, free from the water tax, thanks to the generosity of the Quebec government, has recently appointed F. A. Gaby, formerly chief engineer of the Ontario Hydro Commission, to take charge of its power interests. The suggestion is that Noranda plans to develop its own power site, with a view to becoming "independent" of the Canada Northern Power Co. Hollinger, whose contract also is expiring in a few years, may also build its own power site according to these reports.

In other mining circles however, the solution to the problem is seen to be similar to that arrived at last December, when the fracas between the Ontario Hydro-Electric Commission and the Canada Northern was settled by an agreement whereby any future power sold by Canada Northern in Ontario would be bought from Hydro.

Whatever the upshot may be, it is just possible that Canada Northern Power Corp., whose rates, compared with power rates elsewhere, are generally held to be fair, will be forced to scale down its present schedule.

GOV'T ENGINEER URGES CAUTION IN BRIDGE RIVER

Investors Warned That B. C. Area Profitable Only in Limited Zone

From Our Own Correspondent

VANCOUVER—Need for caution and reasonable discrimination is urged upon investors by A. M. Richmond, provincial government engineer, in a survey of Bridge River mining properties. Mr. Richmond points out that in the Bridge River camp, outside of the two producing mines, Pioneer and Bralorne, and a few other properties, most of the work being done is primarily of a prospecting nature. The public should realize clearly just how large a project it is to develop a modern mine, he says.

Prospecting now under way under the direction of competent engineers will result in the elimination of unfavorable ground. Efforts can then be directed to individual properties with the best prospects.

$7-$8 Limit

"Just because a property is located on the augite-diorite or greenstone belt in the Bridge River, it does not thereby ensure the certainty of finding profitable mineralization," states Mr. Richmond. "It is a prerequisite for profitable operation that the two factors, gross tonnage and grade of ore, must be found complementing one another. Furthermore, the gross value of recoverable metals in the ore bodies should be such that there will be left a net profit after deducting all costs of property acquisition, development, mining operation, plant depreciation, interest charges, taxes, etc.

"In the light of present operations in the Bridge River camp," says Mr. Richmond, "from $7 to $8 gold values are the minimum that can be profitably worked when the scale of operation is not less than 100 to 150 tons a day. A property having this grade of ore would require not less than 100,000 to 150,000 tons of blocked out, probable and possible ore reserves before mill construction would be warranted. This amount of ore would be sufficient for at least a three-year operation of the milling plant."

TECK-OTTO OFFERING IS HELD UP BY GOV'T

Thirty-cent Shares Were to Net Treasury About 12 Cents

The Ontario Securities Commission has thrown a monkey wrench into public offering of shares in Teck-Otto Gold Mines which began some two weeks ago with the result that the offering, in the words of Mr. E. M. Sayer, underwriter, has been "postponed." The Financial Post understands that the reason for the action of the Ontario Securities Commission was that the report on the property included in the prospectus issued by Sayer was 22 years old.

They are requiring that a new report shall be made. Mr. Sayer told The Financial Post that this report will be ready within a few weeks when shares will once more be offered.

Under the temporarily "postponed" scheme, 200,000 shares were to be offered at 30c. for a limited period to net the company about 12 cents a share. The price of the shares would then be increased by stages up to 60 cents per share.

The properties of Teck-Otto Mines are in the Kirkland Lake gold area and are comparatively old properties. They were formerly operated by the Swastika Mining Co. Teck-Otto has an authorized capitalization of $2,000,000 in $1 par value shares of which about 1,209,250 are outstanding. The company is headed by F. L. Culver, Toronto.

MONTREAL GROUP SPONSORS LATEST SILVER EXCHANGE

Will Replace New York in Dealing in Future and Spot Contracts

From Our Own Correspondent

MONTREAL.—Quebec Incorporation papers have been granted to the Montreal Silver Exchange to provide a market for spot and future contracts in silver. Trading will be started just as quickly as the necessary formalities can be dispensed with, according to a statement made public by D. S. McMaster, chairman of the Montreal Stock Exchange, which controls the new market.

Organization of the Montreal Silver Exchange will provide the only exchange for trading in spot and future contracts for the white metal on the North American continent. All trading in silver in New York was indefinitely suspended earlier this month when the United States administration announced the nationalization of silver in that country.

Since New York had developed the world's largest market in silver, trading has been somewhat demoralized and some of it has migrated to London.

The closing of the New York market deprived the Canadian and Mexican producers of a market for their output, and also of a market in which to hedge their operations. It also deprived citizens of the facilities to buy or sell silver futures.

Sponsor New Exchange

Numerous requests have been received by the Montreal Stock Exchange to sponsor an organization which would provide a market for spot and future contracts in silver. After giving the matter consideration and investigation, the Exchange authorities decided to sponsor the new exchange.

Interest in silver has increased tremendously with the campaign which has been carried on with a view to rehabilitating silver in its monetary uses. The action of the London Conference in recognizing silver and the agreement which was then reached coupled with the more advanced action of the United States has done much to strengthen the position of this metal.

The price appreciation over the past year has increased the possibility of operations being resumed in many mines which were closed when prices declined to an unprofitable level.

It is expected that the facilities and organization already in hand on the Montreal Stock Exchange will be available for the Silver Exchange. The recently installed high-speed ticker service, which now carries the quotations of the Montreal Stock Exchange and the Montreal Curb Market from coast to coast, will be capable of carrying quotations for silver.

The Montreal Silver Exchange will offer all facilities and services offered in the New York Market.

Arrangements for the appointment of proper warehousing agents for the storage of the silver bullion in Montreal are in process of negotiation.

Gold-Cliff Sends Crews for Preliminary Work

One of the newer operations in Oxford Lake district of Manitoba, Gold-Cliff Ltd. are sending in two crews of men for the erection of camp buildings and stripping and trenching on the strike of their Tri-metal group near Carrott River.

As Gold-Cliff's third property, the Tri-metal group, No. 2, is located on the line of strike of the diamond drilling done on the Lynx group of Oxford Mines, Gold-Cliff Ltd. directors are arranging to have O. R. Christopherson, diamond driller, drill the Tri-metal No. 2 on the line of strike with the known Lynx group results. F. Bell-Clifford, president of the company, recently publicly announced that financing of Gold-Cliff was going forward satisfactorily.

Casey Summit Forms Subsidiary Syndicate

R. G. Williams, president of Casey Summit Gold Mines has advised The Financial Post that a syndicate has been formed to develop a group of 12 claims optioned from Fred Richardson at Richardson Lakes, Patricia district, adjacent to Summit property. Contract has been let to drill 1,000 ft., Mr. Williams states, and this work has been already started. Should diamond drilling prove the continuity of the present surface showing, a company with 3,000,000 share capital will be incorporated and a mining plant will be taken into the property during the winter, Mr. Williams states.

Adanac Mines to Extend Underground Operations

Results of underground work on the property of Adanac Gold Mines in Rouyn township, Quebec, are officially reported to be very encouraging. In the north crosscut on the 125-ft. level a 12-inch vein has been cut assaying 1.6 ounces of gold to the ton, which is equivalent to $56 with gold taken at the current price. The "H" vein has also been encountered.

Drifting operations are under way on both of these discoveries and also to the south of the shaft. The face of the south drift is in ore showing a width of 10 ft. Operations are to be undertaken on the 250-ft. level to open up the downward extensions of the veins.

IMPORTANT GROUP SEEK OTTAWA AID IN PEAT PROJECT

Ontario Approached, But Official Attitude Said to Be Cold

From Our Own Correspondent

OTTAWA.—Under the auspices of a distinguished group of British peers and business men, efforts are being made to interest the governments of at least three of the provinces in projects for the conversion of peat into briquets. The briquets, it is claimed, will satisfy the needs of Manitoba, Ontario and Quebec for high-grade domestic fuel and furnish a complete and permanent solution for Canada's coal problem.

The form of assistance sought from the provincial governments, it is learned, is a guarantee of bonds. In this way the syndicate in control of the peat briquetting patent would raise money with which to erect briquetting plants. One plant would be erected in Quebec to serve the metropolitan area of Montreal and the City of Quebec. Another would be erected east of Ottawa to serve Eastern Ontario. A third would be built in Western Ontario to supply the market from Toronto west to Sarnia and northwest to Georgian Bay. A fourth plant would be erected east of Winnipeg to serve the Manitoba market. Details of cost are not available at Ottawa and, for this reason, the sum total of the guarantees being sought from the provinces is not known.

Was Medicine Hat Mayor

Prominently associated with the syndicate in its effort to obtain the financial support of the provinces is Merwin Brown, now of London, England, but for many years mayor of Medicine Hat, Alta. Mr. Brown is well known in Canada.

The claim is made that briquets could be made out of Canadian peat to market for around $10 per ton. The briquets are not as high in heat units as anthracite but, at this price, might be an economical fuel for the general public to use.

The syndicate, according to information here, claims to have definitely proved the soundness of the briquetting process. The first plant to be put into commercial production is in Denmark, where the government, it is said, supported the venture. The government of the Irish Free State is said to be interested in the establishment of several plants to serve the Republic.

Ontario Sceptical

The Ontario Government has already been approached with regard to lending financial assistance to this latest projected plan for converting peat into briquets, The Financial Post is reliably informed. Representatives of the British syndicate conferred with Premier Mitchell Hepburn a short time ago but no announcement has been forthcoming as to the result of the conference.

Officials of the Ontario Department of Mines, when approached by The Financial Post, were frankly sceptical of the whole scheme, pointing out that many attempts have been made in Canada in the past to convert peat into briquets on a commercial scale and almost without exception they have resulted in failure. One high official of the department was of the opinion that peat briquets are not suitable fuel in a country like Canada where the winters are extremely cold. "Peat fuel," he said, "does not give off enough heat and besides our stoves and furnaces are all designed for use of a fuel of high calorific content."

Many Unexplored Bogs

Peat deposits in Canada are widely distributed and cover large areas particularly in Ontario and Quebec. Since, however, only a very small fractional part of such areas have been submitted to a detailed investigation, estimates of the extent and workable contents of peat bogs can be regarded merely as a rough approximation. The Department of Mines of the Federal Government in a continuous investigation which dates back to 1906, have surveyed and mapped 107 bogs comprising 228,367 acres and estimated to be capable of producing 198,226,000 tons of peat fuel with 25 per cent moisture and 13,650,000 tons of peat litter. Of this number 46 bogs are situated in Ontario comprising 124,087 acres and estimated to have a productive capacity of 112,410,000 tons of peat fuel and 518,000 tons of peat litter. The principal bogs in Ontario are situated at Mer Bleu, Alfred, Welland, Holland Landing, Cargill, Marsh Hill, Moose Creek, Pelee Point and Verona. In Quebec 27 bogs have been surveyed of a total acreage of 80,110 acres and capable of producing 75,238,000 tons of peat fuel and 6,700,000 tons of peat litter. In addition there are also extensive peat lands in Northern Ontario and Quebec and in the Western provinces which are as yet unexplored.

Thousands Lost

Numerous attempts have been made in the past, especially in Ontario where a number of large bogs are found in close proximity to large centres of population, to mine peat on a commercial basis and place it on the market as a standard fuel. Over 25 companies have operated various bogs in Ontario from time o time but the efforts were gradually abandoned after unsuccessful experiments covering a period of ears. Although the actual expendiure involved is not known the agregate amount of capital lost in ese ventures must run into several undred thousand dollars.

Seasons Interfere

From 1918 to 1925 a very thorough vestigation of the possibilities of nmercial production of peat was de by a "Peat Committee" apnted by the Ontario and Domin- governments jointly. Extensive rations were carried out at the red bog, situated in the townships lfred and Caledonia in the coun- of Prescott, Ontario, about 40 s from Ottawa. Various pro- es were tried and it was found drying peat by artificial means t satisfactory and that "the only esses which can be conomically employed for the manufacture of peat fuel are those employing air-drying." This limits the operating season for the manufacture of air-dried machine-peat fuel to approximately 100 days, from the early part of May to the latter part of August. Continuous operation is impossible because of the severe frost in the winter months.

When experimental operations by the Peat Committee were discontinued at the Alfred bog private interests undertook to operate it on a commercial scale but were unable to make a go of it. In 1932 the United Peat Industries Ltd. was formed to manufacture peat fuel at St. Hyacinthe, Quebec, by the hydropeat process which it was claimed had been successful in Europe. The company, according to information published shortly after its formation, hoped to produce 20,000 tons in 1933. As official production figures show, the company fell far short of its objective and is operating on a comparatively small scale.

MINE PROPERTIES IN W. SHIN'G TREE RENEW ACTIVITY

Neville - Canadian and Churchill Mines Conducting Operations

From Our Own Correspondent

SUDBURY.—Another mineral area which experienced considerable activity years ago, and which seems destined finally to enter the producing list as a result of the incentive injected through the higher price of gold, is the West Shining Tree district, north of Sudbury, where development in a number of properties undertaken a decade and more ago had been suspended due to lack of finances or inconclusive results.

Word from the field this week is to the effect that the shaft at the Churchill Mining and Milling Co. property has been completed to a depth of 120 ft., and that the vein with an average width of 3.5 ft. stayed in the shaft to a depth of 60 ft. Company officials state that free gold was encountered in the vein and that two ft. of the wall rock carries values. Churchill has a small mill of 10 tons daily capacity which has been operating for some weeks, and it is intended to install a Denver ball mill which will double the capacity of the plant.

At the Ribble property, formerly the Wasapika, operations are being resumed by the Neville Canadian Co. the mine having been closed down since 1927. Previous owners had sunk a shaft to 300 ft. and some lateral work was done on the 100, 200 and 300-ft. levels, principally on what is known as the Ribble vein. The Neville Canadian Co. intends to sink the shaft deeper and open several more levels, and at the same time carry on extensive diamond drilling. Examination of the underground workings is said to have warranted an estimate of 36,000 tons of ore with a grade of plus $13 or sufficient to feed a 50-ton mill for two years. Electric power from the Abitibi Canyon line passes within 10 miles of the mine.

Shareholders of the White Rock Mining Company will meet on Sept. 1, at Sudbury to discuss plans for reopening the company's property in West Shining Tree. Property development so far is a shaft down 375 ft. and another one 210 ft. There is mining equipment on the ground, having been idle for some years.

Sudbury capital is also planning active development of the claims staked by Gib and Lorne Bennett of Sudbury, in the West Shining Tree area.

SET PRODUCTION AT CARIBOO GOLD $175,000 A YEAR

Mill Now Handling 74 Tons Daily, to Give July New Record

With the mill handling slightly more than 74 tons of ore per day, the Cariboo Gold Quartz Mining Co. reports that July was the most favorable month in the history of the company. Recovery for the month was about 98 per cent.

Nearly 1,300 ft. of new crosscuts, drifts and raises were completed during the month. The principal effort during this time was the opening up of ore shoots for stoping preparatory to getting up the increased tonnage that started recently. From now on the Cariboo Gold Quartz will handle a minimum of 100 tons of ore per day which, on the grade of ore now going through the mill should give this mine a production record of not less than $175,000 annually. The Cariboo officials point out that this figure is with less than 10 per cent of the company's known mineralized area developed. About 65 per cent of all mill feed for the past month came from opening up the stopes which accounts for the increased size of the monthly brick, of 1,499 oz., more than double the output of either of the two preceding months.

Five Stopes Ready

On the 1,200 ft. level of the Sanders vein one shoot was followed 185 ft. showing an average width of 2.5 ft. and a gold content of three-quarters of an ounce. Another vein just over a foot in width was followed for 102 ft. and showed an average gold content of .8 oz. of gold. In a raise between the 1,500 and 1,400 ft. levels, a high grade ore body was exposed assaying three-quarters of an ounce in gold. Five stopes in all are now ready for operation in the Sanders area.

STRONG BOARD BACKS CAN. GOLD & METALS

New Company Formed for Investment in Metal Mining

From Our Own Correspondent

MONTREAL.—John W. Hobbs, E. W. Beatty and other prominent Canadians are closely identified with Canadian Gold and Metals Mining Co., a newly formed holding company organized for investment in metal mining and allied businesses and whose shares will shortly be offered on the American market.

Canadian Gold's securities have been submitted to the Federal Trade Commission in Washington for registration. In making the application, the company provides information of its organization and purposes.

The company has an authorized capital of 10,000,000 shares of $1 par value each, and 11,000 shares at present outstanding. Registration statement filed with the commission is with respect to 4,525,000 shares and warrants covering an additional 2,262,500 shares. The company is reserving 2,000,000 shares with warrants covering 1,000,000 shares for possible future offering and is offering on Sept. 5 and after, 2,500,000 shares with warrants covering ¼ share each at $2.50 a unit through Loring R. Hoover & Co.

Heading this latest Canadian holding company is John W. Hobbs, a director of the Canadian Pacific Railway and president of the Continental Life Insurance Co.

Among the directors are a number of well-known Canadians. The list includes E. W. Beatty, chairman and president of the Canadian Pacific Railway; Sir Henry Drayton, former Federal Minister of Finance; W. D. Ross, director of Canadian General Electric and numerous other corporations; David Sloan, managing director of the Pioneer Gold Mines; and Claude R. Alderson.

Mining Concerns Newly Formed

British Guiana Goldfields—Ont. Incorp. July 27; H.O., Toronto, Ont.; capit. author., $2,000,000, par value $1.

Canadian Bell River—Dom. Incorp., Aug. 3; H.O., Montreal, Que.; capit. author., 300,000 shs., n.p.v.

Donalda Mines—Que. Incorp. July 9; H.O., Montreal; Author. capit. $3,000,000, par $1.

Gold Mining & Holding Syndicate, Ltd.—Que. incorp. June 16; H.O. Montreal; Author. capit. $99,750, par $5.

Golden Gate Mining Co.—Ont. Incorp., July 30; H.O. Toronto, Ont.; Capit. author., $3,000,000, par $1.

MacFarlane Long Lac Gold Mines—Ont. Incorp. July 9; H.O., Toronto, Ont.; capit. author., $3,000,000, par $1.

McDeason Mining Co.—Que. Incorp., July 18; H.O., Montreal, Que.; Capit. author., $45,000, par $1.

Mooshla Gold Mines—Ont. Incorp. July 18; H.O., Toronto; Capit. author. $200,000, par $10.

Muskiki Sulphates.—Dom. Incorp.; Aug. 1; H.O., Calgary, Alta.; Capit. author., 100,000 shs., n.p.v.

Nubell Gold Mines—Que. Incorp. June 29; H.O., Montreal, Que.; capit. author., $5,000,000, par $1.

Patricia Participators — Ont. Incorp., July 19; H.O., Sioux Lookout, Ont.; Capit. author., $40,000, par $100.

Paulore Gold Mines—Ont. Incorp. July 26; H.O., Toronto, Ont.; Capit. author., $3,000,000, par $1.

Richland Gold Mines — Ont. Incorp. July 10; H.O., Smith's Falls, Ont.; capit. author., $4,000,000, par $1.

Rocdor Gold Mines—Ont. Incorp. July 23; H.O., Toronto, Ont.; capit. author., $2,000,000, par $1.

Salisbury Corporation — Que. Incorp. July 18, 1934; H.O., Montreal, Que.; capit. author., 4,000 shs., n.p.v.

Standard Minerals of Canada Ltd.—Ont. Incorp. July 23; H.O., Toronto, Ont.; capit. author., $2,000,000, par $1.

Vanguard Long Lac Gold Mines—Ont. Incorp., July 26; H.O., Toronto, Ont.; Capit. author., $3,000,000, par $1.

Witch Bay Gold Mines—Ont. Incorp., July 25; H.O., Toronto, Ont.; Capit. author., $50,000, par $1.

Merged

Algomont Mines Ltd. — Supplementary letters patent issued July 3 changing the name of Algomont Mines Ltd. to Algomont Gold Mines Ltd.

Central Swayze Gold Mines—Dom. incorp. Supplementary letters patent issued July 27 changing the company's name to Tyche Long Lac Gold Mines Ltd. The company was incorporated September 21, 1933 under the name of Rochelle Gold Mines Ltd.

Ranger Gold Mines Offer 400,000 Treasury Shares

Ranger Gold Mines, a company with claims in the Rice Lake district of Manitoba, is currently offering 400,000 shares of treasury stock at 25 cents per share, to net the treasury 20 cents per share.

Ranger Gold Mines has, as president, Arthur Sullivan, K.C., of Winnipeg; vice-pres., M. Rothenberger, New York; sec.-treas., D. A. Thompson, Winnipeg. The property of the company is situated immediately to the south of Rice Lake Gold Mines. Seven of the ten claims of the company were acquired from Consolidated Goldfields of Manitoba, for 666,667 shares. The other three claims were acquired from Manitoba Mining and Exploration Co. for $6,000 cash and 250,000 shares. All shares issued for property are pooled for 18 months from July 19, 1934.

The company has an authorized capitalization of 3,000,000 no par value shares, of which 1,499,990 are in the treasury. The current issue is being handled by Stewart McNair & Co., of Toronto, and Hamilton. The purpose of the present issue, company officials state is to finance exploration work on the property.

Fifty-Three Syndicate Plan to Continue Drilling Work

With three holes drilled on their Herb Lake property, Fifty-Three Syndicate Ltd., reports that results from the first two holes were inconclusive, whereas No. 3 appeared "much better" although the core of No. 2 and No. 3 has not yet been assayed. The company is planning to sink some 17 holes and are considering the advisability of sending a second drill machine into the property in the near future, with a view to drilling in order to get the necessary data for exploration work this winter. No. 1 hole is 290 feet long. No. 2 is 229 and No. 3 is 264 feet long. These holes are at 45 and 60 degree angles.

Cambria Gold Mines of B.C. Drops California Property

Cambria Gold Mines, formerly Cambria Copper Co., with head office in Vancouver, has informed The Financial Post that the company has abandoned all its interest in the option to purchase the Minnesota quartz claims in California and has had the 650,000 shares escrow stock, the purchase price, returned to the treasury. This was done on the recommendation of the consulting engineer, A. G. Langley and by agreement with the vendor, after upwards of $20,000 had been spent on exploratory and development work.

After a hectic annual meeting held on August 15, the retiring board of directors was unanimously re-elected as follows: E. H. Bridgmen, president; A. C. Lockyer, vice-president; Karl F. Lindberg, V. H. Reed, J. F. Smith, E. W. Thomas and A. M. Whitesides, directors. At this annual meeting the board was authorized by shareholders to acquire property in British Columbia if and when a suitable property is offered and reports that it has several offers under consideration. Of an authorized capitalization the company now has about 800,000 shares left in the treasury and as at August 15, $30,000 in the bank.

Mining Stock Quotations

Week Ending August 27.

Par Val.	Range 1934 High	Low	Company	Sales	Close Aug. 20 (or last)	High for week	Low for week	Close Aug. 27
1	.06	.01	Aconda	3,000	.01¼	.01¼	.01	.01¼
No	.33	.13	Aldermac	5,650	.17	.19¼	.18	.19
1	.10	.01¼	Alexandria	264,300	.02¼	.02¼	.01¼	.02
No	.18	.07¼	Algoma	9,100	.08¼	.08¼	.07¼	.08
1	.04	.01¼	Amity Copper	14,200	.01¼	.01¼	.01¼	.01¼
No	4.51	2.00	Anglo-Huronian	1,500	4.00	4.10	4.00	4.01
1	.08¼	.03	Area	3,500	.03¼	.03¼	.03¼	.03¼
No	.20	.02	Arno	.....	.03	.....	.....	.....
1	1.25	.40	Ashley	3,750	.50	.53	.49	.50
1	.18	.07	Astoria Rouyn	35,800	.08¼	.08¼	.07	.07
1	.60	.04	Bagamac	41,050	.13	.13	.12	.12
1	.04¼	.00¾	Baldwin	19,000	.01¼	.02	.01¼	.01¼
1	.22	.09	Barry Hollinger	9,100	.10	.12	.11	.11¼
No	2.05	.92	Base Metals	7,425	.94	.97	.92	.95
1	.91	.16	B. E. A. R.	15,200	.29	.28½	.25	.26½
1	.51	.26½	Big Missouri	16,559	.33½	.37	.33	.35½
1	.75	.23	Bobjo	76,832	.52	.55	.51	.52½
1	3.72	2.40	Bradian	2,080	2.80	3.10	2.90	3.10
No	17.00	9.90	Bralorne	2,207	14.90	15.25	14.85	15.00
1	1.50	.35	Brazil Gold	100	.35	.40	.40	.40
1	.16	.03	Brett Trethewey	3,500	.03	.04	.03½	.03½
50c	1.41	.28½	Bridge River Ex.	26,700	.81½	.92	.82	.82
1	.09	.01¼	Brownlee	31,400	.02¼	.02¼	.02¼	.02¼
1	.02¼	.00¾	Buckingham	8,000	.01	.01	.00¾	.01
1	3.80	1.90	Buffalo Ankerite	18,167	3.45	3.80	3.45	3.70
No	.14	.04½	Buffalo Can.	15,400	.05½	.05½	.04½	.05
5	37.50	23.50	Bulolo Gold	575	37.50	37.50	36.65	37.00
No	.05½	.01¼	Bunker Hill	15,900	.02	.02	.01½	.01½
5s	1.20	1.00	B'Wana McKubwa	.....	1.20	.....	.....	.....
No	.14	.02¼	Canam Metals	.....	.03	.....	.....	.....
1	.20	.05	Can. Kirkland	56,850	.09¼	.09¼	.08¼	.09
No	.78	.38	Can. Malartic	43,910	.65	.78	.66	.74½
1	.02¾	.00½	Capital Rouyn	1,000	.01	.00¾	.00¾	.00¾
1	2.85	1.00	Cariboo Gold	1,375	1.47	1.65	1.50	1.65
1	.09	.01	Cartier Malartic	16,200	.05½	.06	.05	.05½
1	.81½	.49	Castle Trethewey	7,932	.58	.60	.58½	.58½
1	.16	.07	Cen. Manitoba	121,575	.10½	.14	.10½	.13
1	1.15	.54	Cen. Patricia	155,687	1.04	1.15	1.02	1.10
No	.16½	.05½	Chibougamau Pros.	66,500	.09¼	.10½	.09¼	.10½
1	.15½	.04¼	Church. M. & Mill	15,300	.07	.08	.07¼	.08
No	.14	.04¼	Clericy	16,800	.04¾	.05	.04¼	.04¼
1	.03½	.01	Clifton Cons.	3,000	.01¼	.01	.01	.01
5	5.75	2.80	Coast Copper	375	2.80	3.24	3.00	3.00
1	.06¾	.02	Cobalt Contact	28,500	.03	.03¼	.03	.03½
No	.94½	.20	Columario	10,800	.24	.25	.21	.22
5	2.45	1.35	Coniagas	800	1.70	1.75	1.70	1.75
No	1.60	.97	Coniaurum	17,772	1.28	1.55	1.20	1.45
25	170.25	118.00	Cons. Smelters	969	138.00	143.00	138.00	141.00
25c	.35½	.31	Crown Cons.	25,100	.35	.35½	.34½	.35½
No	45.50	32.25	Dome Mines	1,390	42.50	43.50	42.00	42.00
No	.07¼	.02	Dom. Explorers	4,000	.03¼	.03½	.03	.03
1	.02¼	.00¾	Dominion Kirk.	3,500	.01	.00¾	.00¾	.00¾
1	.02	.00¼	Don Rouyn	.....	.00½	.....	.....	.....
1	.17½	.01	Duparquet	15,650	.10	.10½	.09½	.09½
1	4.35	1.76	Eldorado	17,075	2.66	2.67	2.59	2.60
No	4.15	3.00	Falconbridge	6,743	3.92	4.10	3.94	3.95
1	.11½	.01¾	Federal	2,100	.03¼	.04	.03¾	.03¼
No	.07	.02¼	Gilbec	9,000	.03¾	.03¼	.03	.03
No	4.30	.70	God's Lake	57,105	2.56	2.80	2.51	2.65
1	.30	.08	Goldale	27,500	.23	.25½	.22	.22
50c	.47	.35	Gold Belt	500	.43	.35	.35	.35
1	.57	.16	Goldfield	3,193	.19	.25	.18	.18
1	.43	.17	Goodfish	3,060	.17	.18	.17	.18
1	.18½	.02½	Graham Bosquet	122,300	.05½	.07	.05	.06½
1	1.09	.50	Granada Gold	15,950	.62	.65	.61½	.65
No	.53	.20	Grandoro	3,600	.25	.30	.25	.26
1	1.22	.66	Greene Stabell	50,650	.74	.80	.72	.78
1	.18	.05	Grozelle	6,052	.08	.08	.08	.08
1	.48	.09	Grull Wihksne	800	.10	.10	.09	.09
1	2.50	1.28	Gunnar Gold	27,120	2.17	2.30	2.18	2.20
1	.53½	.11	Halcrow Swayze	40,350	.11½	.14	.11	.14
1	.15	.03¾	Harker	13,300	.10	.10	.09½	.09½
1	.02¼	.00¾	Hilltop	.....	.00½	.....	.....	.....
5	20.10	11.40	Hollinger	12,475	19.85	19.95	18.95	19.65
1	1.40	.93	Howey Gold	27,506	1.26	1.30	1.24	1.29
No	15.00	9.00	Hudson Bay	911	15.00	15.00	14.00	14.50
1	14.25	10.45	Inter. Mining	925	13.50	13.75	13.50	13.75
1	6.25	4.00	Do., Pur. Warr.	339	6.00	6.00	5.25	5.85
No	29.00	21.15	Int. Nickel	19,016	24.62	25.50	24.50	25.00
1	.48	.28	J. M. Cons. Gold	18,880	.38	.37	.33	.35
1	.03	.00¾	Keora Mines	.....	.01	.....	.....	.....
1	.34	.23	Kirk. Cons.	54,304	.32	.34	.31	.34
1	.73½	.45	Kirk. Hud. Bay	300	.55	.55	.55	.55
1	.05	.00¾	Kirk. Hunton	3,500	.01¼	.01¼	.01¼	.01¼
1	.76	.29	Kirkland Lake	157,275	.58	.70	.59	.67
1	.40½	.20	Kirk. Townsite	12,000	.22	.25	.21	.24
20c	.02¼	.01	Koot. Florence	.....	.01	.....	.....	.....
1	.23	.02	Lakeland	20,100	.03	.03	.02¼	.03
No	.18	.07	Lake Maron	13,200	.08	.08¼	.07¼	.07¼
1	55.00	42.00	Lake Shore	2,736	52.25	55.00	52.75	53.75
1	.47	.30	Lamaque Contact	113,100	.43	.47	.43½	.46½
1	.26	.06	Lebel Oro	141,500	.08¼	.09	.06	.08¼
1	.22	.08	Lee Gold	24,800	.12¼	.12¼	.12	.12
No	7.75	4.05	Little Long Lac	12,942	7.10	7.10	6.85	6.85
1	3.05	1.85	Macassa	38,321	2.81	2.90	2.75	2.79
1	.08¼	.01¼	Malrobic	49,000	.03¼	.04	.03¼	.03¼
No	.17	.06	Mandy	3,900	.09¼	.11	.09½	.10½
No	.40	.21½	Man. & Eastern	84,100	.31½	.37	.31	.35
1	1.00	.28	Maple Leaf	31,390	.33	.32	.29	.29
5	50.00	39.25	McIntyre	672	46.00	47.00	44.90	44.90
1	1.74	1.01	McKenzie Red L.	18,000	1.55	1.59	1.45	1.50
1	.75	.50	McKinley	.....	.65	.....	.....	.....
No	.06½	.01¼	McLeod River	62,060	.03½	.04	.03¼	.03¼
1	.75	.39	McMillan	40,900	.68	.70½	.68	.68
No	.55½	.25	McWatters	59,950	.49	.53	.49	.49½
1	1.21	.39½	McVittie	14,500	.46	.48	.42½	.42½
5	1.50	1.25	Mentor Exp. & Dev.	.....	1.25	.....	.....	.....
No	2.47	1.60	Mining Corp.	3,398	1.85	1.81	1.75	1.75
1	.08¼	.02¼	Moffatt Hall	33,700	.04¼	.04¼	.04¼	.04¼
1	.20	.08¼	Moneta	4,600	.15¼	.15¼	.14	.14½
1	.04	.01¼	Murphy	51,000	.01¼	.02¼	.01¼	.01¼
No	.09½	.02	Newbec	4,500	.03	.03¼	.02¼	.02¼
1	.06½	.03	Night-Hawk Penn.	4,500	.05	.06	.05	.06
5	2.85	2.00	Nipissing	9,265	2.43	2.60	2.43	2.54
No	45.05	33.25	Noranda	4,242	41.50	43.00	41.50	42.00
No	.54	.22	Nor. Canada	30,000	.28	.36	.29	.35
1	.27	.07	Osisko	1,500	.09	.11	.09	.11
1	.72	.34	Parkhill	25,820	.35½	.37½	.34½	.37
1	.06	.01¼	Pawnee Kirk.	2,000	.02¼	.02¼	.02¼	.02¼
1	.31½	.19	Paymaster	84,720	.26¼	.27	.26	.26
1	1.40	.55	Pend Oreille	2,000	.60	.65	.60	.65
1	.06¼	.01¼	Peterson Cobalt	443,347	.02½	.06¼	.04	.04
1	1.85	1.26	Pickle Crow	15,575	1.65	1.66	1.54	1.57
1	14.15	10.75	Pioneer Gold B.C.	2,045	13.00	13.35	12.50	12.50
1	.08¼	.01¾	Porcupine Crown	23,400	.03	.04	.03	.03¼
1	.03	.00¾	Potter Doal	.....	.01	.....	.....	.....
1	1.75	1.02	Premier Gold	17,350	1.30	1.30	1.25	1.29
1	.06¾	.01¼	Preston E. Dome	8,000	.02¼	.03¼	.03	.03¼
No	.60	.30	Prospectors Air's.	.....	.50	.....	.....	.....
1	.70	.15	Quebec Gold	67,500	.21	.25	.19½	.20
No	.15	.05	Quemont	.....	.08	.....	.....	.....
1	1.73	.27	Read Authier	35,297	1.57	1.58	1.50	1.55
1	1.29	.75	Reno	7,100	.90	.96	.90	.93
1	.02¾	.00¾	Ribago	4,000	.00¼	.01	.00¼	.01
1	.05¼	.01¼	Ritchie	56,000	.02	.02¼	.02	.02¼
1	.11¼	.01¼	Robb Montbray	113,400	.06	.06	.05	.05¼
1	6.30	1.75	San Antonio	10,385	5.50	5.60	5.35	5.40
1	1.43	.64	Sherritt Gordon	26,028	.66	.70	.65	.65
1	2.88	1.43	Siscoe	60,815	2.78	2.85	2.65	2.70
1	3.70	3.08	South Amer. Gold	6,100	3.10	3.70	3.10	3.69
1	.07¼	.02¼	South Keora	3,500	.03	.03¼	.03¼	.03¼
No	.26½	.09¼	South Tiblemont	18,705	.11½	.12	.11½	.11½
No	.46	.08¼	Stadacona	75,160	.36	.38	.35	.36
1	.65	.31	St. Anthony	38,725	.49	.56	.48	.49
No	2.00	1.00	Sudbury Basin	10,677	1.59	1.65	1.55	1.58
1	.16¼	.05	Sudbury Contact	6,200	.11	.11	.09½	.11
1	.11¼	.00¾	Sudbury Mines	36,300	.07¼	.07¼	.06	.06
1	.63	.44	Sullivan Cons.	25,610	.54	.56	.51	.55
1	3.20	1.29	Sylvanite	33,955	2.84	2.92	2.81	2.88
1	8.05	5.75	Teck Hughes	35,005	6.75	7.05	6.55	6.60
1	.59	.20	Thom. Cadillac	43,110	.49	.50½	.46½	.50
	.02	.01¼	Timiskaming	500	.02	.01¼	.01¼	.01¼
1	.76	.26	Towagmac	4,800	.42	.42½	.40	.40
1	.85	.35	Treadwell	700	.35	.40	.40	.40
No	.02¾	.01	Vacuum Gas	10,500	.01	.01¼	.01	.01¼
No	1.12	.77	Ventures	193,900	.97	1.12	.95	1.03
1	.08¼	.01¼	Vickers	20,000	.01¼	.02¼	.01¼	.02
No	1.53	.90	Waite Amulet	4,609	.95	.98	.90	.90
50c	.50	.06	Wayside	26,700	.08	.08	.07½	.07½
No	.43	.18	White Eagle	36,100	.23	.24	.21	.21
1	.07¼	.02¼	White Lake	.....	.02¼	.....	.....	.....
1	.18	.05	Wiltsey Coughlan	18,500	.10	.10	.08	.08
1	.20	.05	Wood Kirkland	18,100	.11	.13	.11	.12
No	10.25	6.75	Wright-Hargreaves	10,117	9.55	9.85	9.50	9.60

OIL STOCKS

Par Val.	Range 1934 High	Low	Company	Sales	Close Aug. 20 (or last)	High for week	Low for week	Close Aug. 27
No	.33	.17	Acme Gas & Oil	7,750	.20	.20	.19	.20
1	.20	.09	Admiral	.....	.20	.....	.....	.....
1	1.60	.96	Ajax	2,850	1.00	1.00	.98	.99½
1	.25	.08	Alta. Pacific	2,100	.10	.10	.10	.10
No	.35	.12	Associated	6,000	.15	.16	.13	.16
No	.13	.04	Baltac	4,700	.04½	.05	.04	.04½
No	1.60	.60	Calgary & Ed.	2,700	.75	.80	.75	.80
1	.15	.05	Calmont	800	.07	.06¼	.06	.06¼
No	.12	.05	Common. Pete.	.....	.05	.....	.....	.....
No	.65	.25	Dalhousie	1,980	.31	.31	.30	.31
No	.30	.10	East Crest	2,900	.12	.13	.10	.10
No	.58	.07	Erie Gas	100	.08¼	.10	.10	.10
No	.75	.30	Foothills	.....	.35	.....	.....	.....
No	.25	.20	High Sarcee	.....	.23½	.....	.....	.....
No	1.90	.90	Home	2,710	1.00	1.05	1.00	1.03
No	.05	.02	Homestead	.....	.05	.....	.....	.....
1	.25	.12	Homestead O. & G.	4,800	.17	.19	.17	.17
No	.44	.15	Lowery	.....	.21	.....	.....	.....
No	.42	.19	Merland	1,200	.22½	.22	.22	.22
1	.48	.10	Midwal	.....	.10	.....	.....	.....
1	.33	.17	Model	1,600	.18½	.24	.21	.24
5	.17¼	.05	Nordon	2,600	.06¼	.07	.06½	.07
No	.09	.03	Oil Selections	11,500	.03	.04	.03¼	.03½
No	.34	.10	Olga Gas & Oil	100	.10	.13	.13	.13
No	1.10	.55	Petrol Oil & Gas	.....	.55	.....	.....	.....
No	19.55	13.00	Royalite	770	13.75	14.00	13.50	14.00
1	.13	.06	Sarnia Oil	1,500	.06¼	.06½	.06	.06
No	.17	.07	South West Pete.	200	.07	.15	.15	.15
No	.97	.63	Wainwright West	21,350	.88	.95	.88	.91

VANCOUVER STOCK EXCHANGE
(Transaction for Week to August 24.)

Par Val.	Range 1934 High	Low	Company	Sales	Close Aug. 18 (or last)	High for week	Low for week	Close Aug. 24
1	.09¼	.02	Alexandria	5,000	.02	.02¼	.02	.02
25c	.03¼	.01	Bayview	69,000	.02¼	.03	.03	.03
20c	.08¼	.03	Beaver Silver	13,900	.06	.06¼	.05¼	.06¼
25c	.03¼	.01	Bluebird	1,100	.01	.01	.01	.01
1	3.70	2.10	Bradian Gold	1,121	2.80	3.10	2.75	2.90
No	16.95	9.85	Bralorne	852	15.00	15.15	14.75	14.75
1	.48	.09½	Bridge River Cons.	21,900	.09½	.12½	.09½	.12
50c	1.40	.28	Bridge River Exp.	23,950	.83	.92	.83	.87
50c	.27	.19	B. R. Mountain Gold	.....	.20	.....	.....	.....
1	1.76	.51¼	B. C. Nickel	41,925	.88	.89	.82	.83
1	1.25	.90	B. C. Silver	.....	1.10	.....	.....	.....
50c	.29	.08	Butte L.X.L.	500	.10	.09	.09	.09
50c	.24	.15	Canadian Rand	200	.15	.15	.15	.15
1	2.90	1.00	Cariboo Gold	4,800	1.40	1.60	1.40	1.60
No	12.60	8.75	Coast Breweries	105	9.75	9.75	9.50	9.50
1	.50	.18	Congress Gold	25,050	.40	.50	.36	.45
25c	.02	.00¾	Cork Province	.....	.00¾	.....	.....	.....
1	.08	.05	Cotton Belt	.....	.05	.....	.....	.....
1	.06	.01¼	Dalhousie Mines	1,000	.02	.02¼	.02¼	.02¼
No	2.07	.25	Dentonia	16,940	.50	.54	.51	.52
1	.45	.14	Dunwell	3,000	.22	.22	.20	.22
No	.44½	.12	Fairview Amal.	13,350	.16½	.17	.16½	.17
1	.12	.07½	Federal Gold	.....	.10	.....	.....	.....
1	.42	.25	George Copper	800	.31	.25	.25	.25
50c	.02¼	.01¼	George Enterprise	.....	.01¼	.....	.....	.....
1	.06¼	.01	Georgia River	9,000	.01	.01¼	.01¼	.01¼
50c	.08	.01	Glacier Creek	6,000	.03	.04	.03	.03
1	.63	.33	Golconda	3,300	.38	.37	.35	.36
5c	.20	.13	Golconda Ex.	1,000	.18	.13	.13	.13
50c	.63½	.27	Gold Belt	1,800	.33	.37	.32	.37
50c	.51	.30	Gold Mountain	6,450	.47	.46	.40	.43
50c	.06	.02	Grandview	.....	.02	.....	.....	.....
No	.38	.16	Grange Mines	10,150	.23	.24	.22	.24
1	.50	.08	Grull Wihksne	19,950	.09½	.10½	.08	.08
No	.16	.04	Haida Gold	5,000	.08	.08	.08	.08
25c	5.80	5.25	Hecla	.....	5.25	.....	.....	.....
50c	.33	.18	Hedley Amal.	19,600	.30	.32	.31	.32
No	.29	.10	Hedley Sterling	.....	.10	.....	.....	.....
1	.09¼	.04	Hercules Cons.	113,550	.04½	.05½	.04½	.05½
No	.28	.07	Home Gold	9,807	.13½	.15	.13½	.15
1	.04	.01¼	Independence	.....	.02	.....	.....	.....
1	.04	.01¼	Indian Mines	.....	.02¼	.....	.....	.....
1	.15½	.10	Inter'tl. Coal	350	.14	.13	.13	.13
1	.42	.29	Jack Waite	1,000	.35	.31	.31	.31
50c	.65	.19	Kootenay Belle	2,500	.48	.48½	.46	.46
25c	.02	.00¼	Kootenay King	.....	.00¾	.....	.....	.....
25c	.01¼	.00¼	L. & L. Cons.	.....	.01	.....	.....	.....
1	.01¼	.00¼	Lakeview	.....	.01	.....	.....	.....
10c	.06	.02¼	Lucky Jim	1,500	.04	.03	.03	.03
No	.40	.11	Mak Siccar	500	.28	.26	.26	.26
50c	.01¼	.00¼	Marmot Metals	.....	.00¾	.....	.....	.....
10c	.33	.09	Meridian Min.	11,300	.09	.09½	.09	.09½
50	.04	.03¼	Metaline Metals	.....	.03¼	.....	.....	.....
No	.85	.13	Minto Mines	50,050	.19	.21	.19	.19½
1	.27	.26	Mont'y Ackerman	.....	.27	.....	.....	.....
No	.46½	.13	Morning Star	34,500	.15	.18½	.16	.18½
1	.05½	.00¾	Morton Woolsey	.....	.01	.....	.....	.....
50c	.09	.03	National Silver	19,500	.04½	.04½	.03½	.03½
50c	1.36	.20	Nicola	56,725	.20	.28	.20	.27
50c	.17	.06¼	Noble Five	23,100	.08	.08	.07½	.07½
No	.24½	.10	Norgold	6,600	.21	.23	.21½	.21½
1	.54	.12½	Pavilion	15,500	.45	.48	.45	.48
1	14.25	11.00	Pioneer Gold	60	12.50	13.00	12.50	12.85
50c	.18	.06¼	Porter Idaho	4,500	.09	.09	.09	.09
No	.02¼	.00¼	Premier Border	4,000	.01	.00¾	.00¾	.00¾
1	.06	.03	Quatsino Copper	.....	.04	.....	.....	.....
50c	.19	.06	Red Hawk	.....	.06	.....	.....	.....
No	.27	.09	Reeves McDonald	.....	.13	.....	.....	.....
1	1.25	.75	Reno Gold	9,575	.89	.95½	.90	.95½
1	.15	.04	Reward Mining	10,800	.05	.05¼	.05	.05¼
No	.27	.09	Richfield Cariboo	.....	.09	.....	.....	.....
1	.03½	.01	Rufus Argenta	.....	.01¼	.....	.....	.....
1	.05	.02	Ruth Hope	.....	.02	.....	.....	.....
1	.55	.25	Sally Mines	4,700	.32	.35	.32	.35
50c	.35	.10	Salmon Gold	2,700	.16	.16	.14	.14½
1	.09	.04	Silverado	.....	.04	.....	.....	.....
25c	.04½	.02	Silvercrest	10,000	.02¼	.02¼	.02¼	.02¼
20c	.17	.04	Silversmith	1,000	.10	.10	.10	.10
50c	.03½	.01	Snowflake	300	.01¼	.01	.01	.01
25c	.04	.02	Sonora	.....	.04	.....	.....	.....
1	.46	.13	Standard Gold	.....	.13	.....	.....	.....
10c	8.25	4.75	Sunshine	1,050	7.50	8.00	7.50	7.50
1	.28	.20	Sunloch	.....	.20	.....	.....	.....
No	1.20	.36	Taylor Bridge	7,800	.39	.40	.38	.38
1	.65	.35	Taylor Windfall	7,400	.46	.46	.44	.44
25c	.05	.04	Thurlow Gold	.....	.04	.....	.....	.....
5	.25	.20	Torid	.....	.20	.....	.....	.....
50c	.28	.04½	United Empire	21,200	.20	.26	.20	.23
No	3.50	1.40	Vidette Gold	1,340	1.85	1.85	1.65	1.85
No	.21½	.05	Viking Gold	6,000	.06¼	.06	.05	.05
No	.27½	.08	Waterloo Gold	25,800	.10½	.11½	.10	.10½
50c	.03	.01	Waverly Tangier	50,000	.01¼	.01¼	.01	.01¼
50c	.47	.06½	Wayside	13,900	.08	.08¼	.08	.08
20c	.03½	.01¼	Wellington	.....	.01¼	.....	.....	.....
No	.44	.21	White Eagle	1,000	.24	.23	.23	.23
1	.10½	.04	Whitewater	4,000	.05	.05½	.05	.05½

OIL STOCKS

Par Val.	Range 1934 High	Low	Company	Sales	Close Aug. 18 (or last)	High for week	Low for week	Close Aug. 24
1	.15½	.06	Amalgamated	7,900	.08	.09	.08	.09
1	.08	.03	Anaconda	1,500	.04	.04½	.03½	.03½
1	.10	.07	Brit. Dominion	.....	.07	.....	.....	.....
1	.11¼	.03¼	Crow's Nest	14,820	.05	.08	.03½	.07
No	.09½	.03	Devenish	600	.04½	.06	.04	.04
No	.01¼	.00¼	Fabyan Pete.	14,000	.00¾	.00¾	.00¾	.00¾
No	.16½	.06	Freehold	1,000	.08¼	.08	.08	.08
No	.13	.04	Hargal	.....	.04¼	.....	.....	.....
No	.35	.14	High Sarcee	5,800	.20	.19½	.18½	.19
No	.05	.00¾	Madison	.....	.00¾	.....	.....	.....
No	.35	.05	Marjon Oil	12,200	.08¼	.09	.08¼	.09
No	.05½	.02¼	McD. Segur Ex.	.....	.02¼	.....	.....	.....
1	.47	.25	McLeod	2,050	.38	.38	.35	.38
No	.22	.12	Mercury	1,600	.13½	.13½	.13½	.13½
No	.22	.10	Mill City Pete.	.....	.10	.....	.....	.....
No	.18	.05	Okalta	1,000	.05	.05½	.05½	.05½
100	30.00	18.00	Do., pref.	.....	.....	.....	.....	.....
No	.17	.05	Pacalta Oil	3,300	.05½	.05½	.05	.05
1	.75	.14	Ranchmen's	725	.73	.70	.68	.70
No	.04	.02¼	Richfield	.....	.02½	.....	.....	.....
1	.42	.20	Spooner	700	.24	.25	.21	.25
No	.11½	.04¼	United	1,000	.05	.05	.05	.05
No	.50	.11	Vanalta	10,700	.10½	.13½	.10½	.12½
1	.20	.10	Vulcan	.....	.10	.....	.....	.....
1	.35	.15	Wellington Oil	.....	.33	.....	.....	.....

DIVIDEND PAYERS

Company	Rate	Yield	Company	Rate	Yield
Acme Gas†	2c.	.....	McIntyre	$2	4.45
Ajax Oil	8c.	8.04	Mercury Oils‡	4c.	.....
Bralorne	60c.	4	Merland Oils‡	5c.	.....
Bulolo Gold‡	60c.	.....	Model Oils	3c.	.....
Coast Brew.	92c.	9.68	Nipissing	12½c.	.....
Coniagas‡	12½c.	.....	Noranda‡	$1	.....
Cons. Smelters	1.00	.....	Petrol Oil‡*	1c.	.....
Dome Mines	$2+$1.50	8.33	Premier	12c.	9.30
Falconbridge	5c.	.....	Pioneer, B.C.	80c.	6.40
Goldfield Cons.‡*	5c.	.....	Royalite	50c.	3.57
Hollinger	65c.+50c.	6.06	San Antonio†	5c.	.....
Howe Sound	$3	.....	Siscoe	12+5c.	6.29
Howey Gold	6c.	.....	So. Amer. Gold	10c.	.....
Int. Coal & Coke‡	1c.	.....	Sylvanite	20+5c.	8.67
Int. Nickel c.	15c.	.....	Teck Hughes	60c.	9.09
Lake Shore	$2+$1	5.58	Toburn	8c.	.....
			Wright-Har.	40+15c.	4.90

‡Interim. †Initial. *Paid in 1933.

Unlisted Mining Stocks

August 28, 1934

Company	Bid	Asked	Company	Bid	Asked
Adanac	.28	.32	La Roche	.11	.13½
Afton	.25	.32	Lafayette L. Lac	.18½	.20½
Arntfield Gold	.85	.91	Long Lac Lagoon	.40	.44
Arntfield Synd.	.90	.97	Lamaque Gold	2.00	2.20
Bailor Gold	.21	.23	Lamaq. Cont. U.	100.00	120.00
Bankfield Gold	1.16	1.21	Long Lac Synd.	1.75	2.00
Bathurst	.03	.04	McFarlane L. Lac	.39	.42
B. C. Nickel	.80	.84	MacL. Cockshutt	.90	.93
Beattie	2.10	2.25	Magnet Lake	.26	.28
Bidgood	.03	.04	Mandalay Gold	.25	.28
Big Long Lac	.17	.20	Matachewan Can.	.16	.19
Brennan Kenty	.43	.47	Metals Devel.	.08½	.10½
Bur-Ley Long Lac	.16	.18	Middle Bay	.22	.27
Can. Pandora	.09	.12	Minefinders	2.00	3.50
Canusa Mining	.08	.10	Montague Gold	3.50	4.00
Casey Contact	.37	.40	Murwood	.37	.41
Casey Summit	.68	.72	Mosher Gold	.30	.33
Cent. Porc.	.47	.50	Muton Long Lac	.30	.32
Cochenour Wil.	125.00	150.00	Neville Can.	.48	.52
Columario (old)	.16	.20	Normont	.07	.10
Condor	.40	.48	North Shores	.14	.18
Continental Kirk.	.08	.10	Pascalis Gold	.08	.11
Crown Reserve	.03	.05½	Payore Mines	.26	.30
Cuniptau	.40	.50	Pontiac Rouyn	.52	.58
Dennison Cop.	.02	.04	Powell Rouyn	1.00	1.10
Dunlop Cons.	.05	.06½	Queen Lebel	.22	.25
El Bonanza	.17	.20	Rice Lake	.35	.39
Forty-Four Gold	12.50	13.50	Rouyn Reward	.39	.44
Frontier Red Lake	.25	.27	Roche Long Lac	.25	.29
Glenora Gold	.40	.44	Sakoose	.95	.97
Gold Eagle	.55	.58	Sigma	3.20	3.40
Golden Long Lac Unit	29.00	32.00	Smelter Gold	.24	.26
Goldside Stk.	.15	.20	Talisman Gold	..	.96
Gr. Bear Lake M.	.20	.25	Tashota Goldfield	.64	.70
Gabrielle	.68	.73	Tiblemont Island	1.35	1.43
Hardrock	.90	.96	Toburn	1.49	1.55
Hardrock Un.	90.00	96.00	Tyche L. L.	.18	.20
Horseshoe	.05	.06¼	Vanguard Long Lac	.22	.25
Hudson Pat.	.72	.75	Vermillion L. Sh.	20.00	25.00
Island Lake	.09	.11	Wendigo	.80	.86
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Royalite Oil Co.—Announcement has been made by Toronto Stock Exchange that the company's application for regular listing of its stock has been granted. The stock has been transferred from the curb to the listed department of the Mining Section, being called for trading on Monday, August 13.

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TORONTO — MONTREAL

THOMPSON MINE STARTS PRODUCING ON REGULAR BASIS

Property is Power Equipped — Handle 150 Tons by End of Month

From Our Own Correspondent

MONTREAL.—Thompson Cadillac Mines reports to the Montreal Curb Market that its mill has been completely changed over for electric power and the property will go into regular production next month.

The report, which was signed by the general manager, E. S. Turner, states:

"The mill building is practically completed. All heavy machinery has been installed and completely connected up. The ball-mill, tube-mill, concentrating-units, and agitating circuit are ready for operation. A small amount of electric wiring and pipe connecting is yet to be done. The mill will be tested out and be in regular operation during September. It will, of course, be run in on a small tonnage basis to begin with, but it is fully expected that before the end of September the mill will be treating 150 tons of ore daily. The plant is so designed that the capacity can be increased to 250 tons per day with minor additions.

"Thompson Cadillac, for a new producer, has now one of the finest complete mining and milling units in the entire north country. The mine should give creditable account before the end of the year."

Report on Development

Detailing mine development, Mr. Turner's report says: "On the 1st and 2nd levels, raises have been started up ready for stoping just as soon as the ore is necessary for the mill. In addition, four development faces are in ore and sufficient tonnage available at the present time for the first six months operation. During that period the development programme under way will extensively open up the mine. There are approximately 3,000 tons of good ore in the surface dump. Development has been started on the 3rd and 4th levels. On the 3rd level a station has just been established, and from this horizon cross-cutting is being done to intersect veins Nos. 1 and 2. These will be drifted upon and opened up for stoping. On the 4th level—which is the lowest depth of 600 ft.—the two principal vein systems have been intersected. At this depth the veins are wider than on upper levels and indications are that the mine at a depth of 600 ft. will produce a tonnage considerably in excess of that available on the first and second levels. General conditions on the fourth level indicate a decided improvement in tonnage and grade as the mine goes to depth."

USE OF AIRPLANE INCREASES IN B.C.

Second Company Ships in Heavy Equipment by Air Route

From Our Own Correspondent

VICTORIA.—Use of the airplane as a means of transporting men and supplies into mining properties in B. C. has been resorted to by a second company. Taylor-Windfall, operating in the Taseko Lake area, utilized this form of transportation to take in its ten-ton mill and now the Lillooet Lake Mining Co. Ltd. at Glacier Lake, Fire Mountain, is following its example.

The first trip was made this week, a crew of five men with their belongings and some equipment being taken in. Two more trips were made at a later date, carrying in further supplies and equipment and some more men. The trip by plane cuts the time necessary to make the journey from six days to six hours.

There are at present four properties being developed in this region, and it is believed that the companies operating there intend to establish a regular plane service between there and Vancouver.

St. Anthony Ore Averages .32 Ounces Gold Per Ton

A total of 2,548 tons of ore averaging .32 oz. of gold per ton were milled during July, according to a recent progress report from St. Anthony Gold Mines operating in the Thunder Bay area of Ontario. Since the mill started operations in May, a total of 4,278 tons have been milled, with extraction in excess of 90 per cent. The mine has been furnishing an increasing proportion of the material milled, from the 100-ft. and the 150-ft. levels. During July, 371 tons of the total mill feed was obtained from mine ore, while 1,816 tons was obtained from the former waste dump.

Work on the new central three-compartment shaft is to be started within the coming month. This will enable the hoisting of the ore without transfer, thus lowering handling costs. Satisfaction is expressed with the functioning of the electric power plant and the reports state that Thunder Bay Gold Mines, a neighboring company will be in the market for power within a few months.

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Smelters Give Portland Area Thorough Study

From Our Own Correspondent

VANCOUVER.—Every year sees Consolidated Mining & Smelting Co. increasing its activity in Northwestern British Columbia, and the Portland Canal area is now receiving its share of attention from this company.

Big Missouri, Cantu in Alaska, and Salmon Gold in the Salmon River Valley have been under development this year by Smelters. The latter two properties have been diamond drilled, and so far little else has been done there, but at Big Missouri the company is apparently proceeding with a view to making the mine an important factor in Portland Canal production. Development work is being done in the Province tunnel and also in the Big Missouri ridge. The Day group was recently acquired by Smelters from Stewart interests and machinery is now being packed in. It is proposed to drive a tunnel 2,500 ft. long in the Day property to reach the extension of the ore body closed by the Province tunnel, according to word from the northern camp.

A power plant and air compressor will be installed later.

YMIR PROPERTIES RAPIDLY BUILDING MILLS OF 100 TONS

Goodenough and Yankee Girl Properties Both Shipping to Trail

From Our Own Correspondent

VICTORIA.—Operations at the two main lines in the Ymir section, Goodenough and Yankee Girl are going ahead at a fast pace, according to word just received.

At the Goodenough mine, regular shipments are being made to Trail smelter, an average of about 600 tons a month being sent down. This ore is averaging approximately $17 per ton in gold and is grossing the company a little over $10,000 a month. Extensive development to prove up the extension of the present large ore bodies is being carried out continually and about 25 men are being employed steadily. Company officials conferred regarding the construction of the proposed 100-ton mill recently.

Yankee Girl Shipping

At the Yankee Girl where about 45 men are being employed, construction of the 100-ton mill is proceeding and it is expected that the plant will be in operation at the beginning of November. This mine is currently shipping about 1,000 tons of ore to Trail every month.

Some very important strikes have been made at this property recently with values running up to more than one ounce of gold per ton, while the Lakeview vein hitherto showing but low values, has broken into good milling grade ore after passing through a fault.

Drilling Results Please Consolidated Chibougamau

Julius M. Cohen, consulting engineer for Consolidated Chibougamau Goldfields in a recent report, a copy of which has been forwarded to The Financial Post reports some interesting results from drill holes Nos. 12 to 16 inclusive. In addition to the drilling, surface work, consisting of blasting a series of trenches across the mineralized area as well as across the main shear zone, at an approximate distance of 50 ft. apart, has been done. A zone of mineralization at a point 140 ft. north of the main shear was located. At the point uncovered, mineralization was across a width of 10 ft., of which 4 ft. was heavily mineralized quartz. This showing has now been stripped for over 200 ft. in length and varies from three to 10 ft. in width.

During the winter months the company plans to sink several shafts in or near the mineralized zone as well as cross-cutting and drifting at shallow depth from the shaft. It is also planned to construct a pilot mill with a capacity from 20 to 30 tons per day in order to sample the mineralized material broken down in drifting and cross cutting. In conjunction with this programme, diamond drilling is to be continued in an effort to prove further the known mineralization at depth. The company now has a total of 55 men working of whom 33 are on the major operation at Cedar Bay and the remaining number are systematically prospecting the Bourbeau Lake and Sorcerer Mountain holdings.

Movements of Mining Men

Gilbert LaBine, managing director of Eldorado Gold Mines, is returning to Toronto after visiting the Great Bear property as well as the property of Gunnar Gold Mines in the Central Manitoba area.

Robert A. Bryce, president of Macassa Mines, has returned from a three months vacation in Europe and is now planning a visit to the property at Kirkland Lake.

Douglas A. Mutch, prominent consulting engineer of Haileybury, has been appointed consulting engineer of the Astoria-Rouyn Gold Mines, operating in the Rouyn district.

R. H. "Pat" Stewart, well known Pacific Coast mining engineer, and formerly connected with Consolidated Mining & Smelting Co., has returned from the Taseko Lake district, where he made an examination of the Mother Lode property, just across the Taseko River from Taylor-Windfall Mines, in the interests of a group of Vancouver financiers and mining men.

Fraser Reid, widely known consulting engineer, has again left to visit the Great Bear Lake area in the North West Territory to give advice and assistance to Eldorado Gold Mines. Mr. Reid visited the area last year in a similar capacity.

New Adanac Workings

Among the interesting operations in the Rouyn area of Quebec are those of Adanac Gold Mines, which has now sunk its shaft to the 250-ft. level. Above is shown the water tank, power house and head frame for the shaft. Work is now being centred on the 125-ft. level, where interesting values are claimed to have been found.

Cariboo, Like Old Veteran Rallies to New Conquests

Company Scouts and Prospectors Swarm Into Famed Old Area — Placer Mining Revives

From Our Own Correspondent

VICTORIA.—After a short period of uncertainty and no little anxiety as to the future of the district, the increase in the bullion output of Cariboo Gold Quartz and the speeding up of mill operations at Island Mountain Mines Ltd. on the opposite side of Jack of Clubs Lake, has plunged the Cariboo once more into a fever pitch of excitement.

Company scouts and prospectors have again swarmed into that famous country and the sceptics have been confounded.

The Cariboo Gold Quartz, not long ago the focal point of a heated controversy, has proved that it is well able to produce profitably and in quantity when the ratio of development ore treated was dropped. The output from this mine for July of 1,499 ounces valued at over $50,000 was double that of the preceding month when the biggest percentage of the ore being run through the mill was still being taken from development. During July only 35 per cent of the ore milled was from development and during that month and the early part of August the mill treated an average of 74 tons a day. About ten days ago new equipment was installed and this week the mill began to grind at the rate of 100 tons a day which will place it on a producing basis of about $60,000 a month.

Newmont Mill Speeded

The depressed atmosphere in the Cariboo and particularly in the vicinity of Barkerville recently was further enhanced by the slow progress of the Island Mountain mill by the Newmont Corp. of New York which controls the mine. Now, however, construction on the 50 ton plant is being rushed ahead at a fast pace and the mill is expected to be in operation in September. The initial gold brick from this enterprise, the second lode producer in the Cariboo district, is expected during the following month.

Naturally enough these developments have caused a tremendous revival of activity throughout the district. Not only the lode operations but placer mining is again coming into its own. Reports of substantial cleanups on Dragon Creek and Baker Creek, the latter almost opposite the town of Quesnel and on Cedar Creek in the vicinity of Williams Lake, are sending prospectors out into the hills again with renewed hope.

Britannia Strike

Britannia Mining & Smelting Co. is reported to have uncovered some highly promising showings on the Midas and Jane groups above Keithley in the vicinity of Cariboo Yankee Belle and officials of the company are understood to be on the ground examining the new find.

In addition to the physical results being obtained in the district and the sterling comeback of Cariboo Gold Quartz, the feeling is becoming stronger that the report on this property by the English engineer, Norman J. Wynne, will be favorable. While no definite word can be obtained, those reputed to be best informed appear to be quite confident of its tenure and the talk of strong Old Country interests entering the Cariboo district on a large scale is becoming more and more persistent here.

DIANA GOLD MINES GETS DRILL BY AIR

Company Lets Contract to Explore Manitoba Property

Diamond drill equipment has been flown in from Lac du Bonnet to the property of Diana Gold Mines in Manitoba, company officials informed The Financial Post. A footage contract has been let to Smith & Travers and an exploration campaign will be started as soon as the crews arrive. The company reports the discovery of a second ore body lying north of the main working. This discovery has been exposed by crosstrenching for several hundred feet and several chip samples show values. Further work is being done on this vein. The company anticipates that the production for July with the mill operating only 80 per cent will be in the neighborhood of $10,000.

Vancouver Island Gold Sacking High-grade Ore

From Our Own Correspondent

VICTORIA — Sacking of high-grade ore for direct shipment in the near future or possibly treatment in a small mill, according to the decision reached by the management, has commenced at Vancouver Island Gold Mines, where a new vein was opened up on the surface last week showing high values, it is reported on good authority.

According to the management of the company, additional surface work on this vein, which had never been given much attention in the past, produced some spectacular values. Surface sampling every five ft. over a distance of 250 ft. showed an average value over a width of six inches of $300 per ton in gold. In many cases the assays ran well over $700 a ton, while others contained wall rock assays as high as $78 a ton. Most of the sampling was done right at the surface and it is not yet known how wide the vein is.

The lowest point at which the vein has been tested to date, say officials, was near the bed of Mineral Creek in sight of the present power house and about 130 ft. below the main working tunnel. From this point it has been traced up the mountain past the tunnel to a point 750 ft. above where it apparently intersects with the Dunsmuir and Gold Belcher veins. A drift is being driven on it at the lowest point of exploration and the ore taken out and sacked as the drifting proceeds.

The upper tunnel was understood to have reached its primary objective—the Gold Belcher vein—at a distance of 185 ft. from the portal and drifting is now proceeding to find the point of intersection with this vein and the intersecting vein. This, it is believed, will be encountered about 80 ft. ahead of the present face immediately below the bottom of the old Montrose shaft, sunk by the Duke of Montrose in 1897.

Officials of the company have announced that a contract has been let to bridge Mineral Creek from the power house to the new tunnel entrance.

C.I.M.M. TO BE GUESTS OF WESTERN BRANCH

Trip Through Turner Fields to be Feature of Three-Day Meet

Western branches of the Canadian Institute of Mining & Metallurgy are acting as hosts to the Canadian Institute at the annual Western meeting to be held in Calgary on September 13, 14 and 15. It is expected that men identified with the mineral industry in all parts of Canada will trek to the West to attend this meeting which will include a trip to the famous Turner Valley, a visit to Banff National Park and a study of mine developments in the Great Bear Lake district. Papers on natural gas and petroleum production, on the production and preparation of coal, and on metal mining in the West, will be read and discussed at the meeting. President of the institute this year is Mr. S. G. Blaylock, vice-president and general manager of Consolidated Mining & Smelting Co.

Poundmaker Gold Plans to Push Development

Poundmaker Gold Mines, operating in the Rice Lake district, Central Manitoba, is preparing for the immediate dewatering of the shaft and a large scale mining development at the company's holdings, officials at the Toronto head office informed The Financial Post. The exploration campaign at present under way is under the direction of B. C. Dawson.

The company states that a recent engineer's report shows excellent results from the latest work from the surface downward. Prior to development this year on the Poundmaker a two-compartment shaft had been sunk to a depth of 525 ft. with four levels established, on which an aggregate of 3,000 ft. of drifting was done. The company reports that about $1,000,000 in ore has been indicated of which one-quarter is already broken, available for immediate millfeed. Development this year has been concentrated on opening up the four parallel veins which have a total length of approximately 19,200 ft.

Engineer to Make Report on Old Klondike Property

From Our Own Correspondent

VICTORIA — In company with P. E. Peterson, M.E., Alex Mackenzie, director of Klondike Gold Quartz Mines Ltd., has left for the Klondike property near Bear City, Yukon Territory, on which Mr. Peterson will prepare a report.

The Klondike company is re-opening what was at one time considered one of the most promising lode operations of the Klondike. War conditions forced suspension of development and the property has lain idle since.

Principal development consists of two tunnels and two shafts, both said to be in ore. Mining buildings and power equipment are also understood to be on the property.

"If the report of Mr. Peterson substantiates the claims of the owners, the directors of the present company will consider the immediate construction of a 40-ton mill on the property.

TWIN LAKES IN B.C. SMALL BUT LUSTY MINING YOUNGSTER

Little Publicized Area One of Most Active in Province

From Our Own Correspondent

VICTORIA.—Although comparatively little has appeared in the press during the past few months regarding the Oliver Twin Lakes mining area in comparison to the attention given to other districts in British Columbia, this area is at present one of the most active in the province, boasting one producing mill and several properties that are shipping crude ore to the smelter.

The most advanced mine in the section, Twin Lakes Mining Co., is a private company financed by the Spencer-Smith-Sloan combination. Development work is reported to have been very satisfactory and at the present time the 25-ton mill is treating development ore almost exclusively while further underground exploration is taking place and reserves being increased.

Grandoro Satisfactory

A second operation in this vicinity also financed by the same group, the Grandoro is also reported to be making satisfactory progress. At the present time about 2,000 tons of high-grade ore are on the dump at this property and it is believed that it is the intention of the management to run some of this through the Twin Lakes mill in order to give it a thorough mill test. Both properties are being opened up systematically and between them employ almost 80 men.

Among the other important mines in this area, most of them lying to the south of Twin Lakes and Grandoro, are Morning Star Fairview, Fairview Amalgamated and Mak Siccar. All these properties are being developed with satisfactory results according to their respective managements. At the Morning Star, a mill is planned later in the year and at Mak Siccar some exceptionally high-grade gold ore was uncovered in one of the cross-cut tunnels recently. Crude ore shipments from the Morning Star during the past few months are reported by the management to have covered development expenses and provided a small profit in addition.

In the area lying immediately adjacent to this the old Nickel Plate mine has been reopened and the mill is being prepared once more for production. A substantial tonnage of new ore has been developed and the operators are hopeful of placing it on a producing basis within a few months.

Hedley Amalgamated

On the Hedley Mascot, adjoining the Nickel Plate, a sampling crew in charge of Dr. Victor Dolmage, has been working for the past two weeks and diamond drilling operations are to be commenced shortly to obtain further information regarding the huge ore bodies which are reported to exist on the property.

Extensive development is also being carried out at Hedley Amalgamated where a number of ore bodies are being opened up. The No. 1 ore body at this property which averages 12 ft. in width has been developed for a distance of 250 ft., while on the east side of the mountain, facing the Nickel Plate three more ore bodies all of mine grade ore are being opened up underground.

At the Mines

Excello Mines—At a meeting held August 13 the board of directors of this company, only recently organized, authorized the installation of a ten-ton mill on the property in the Porcupine mining district, to be proceeded with at once. The company claims to have enough visible gold and development on veins "No. 7" and "No. 8" to warrant "immediate" production on a small scale.

• • •

Highwood Sarcee Oils—A. W. Dingman, president, has advised shareholders that proceeds of production from the new well for several months will be absorbed in paying off certain deferred liabilities. The company is to be repaid its outlay of approximately $60,000 and will then succeed to a 65 per cent interest in the well, equipment and lease of the quarter section.

• • •

Homestead Oil & Gas—An additional 500,000 shares of the company's common stock have been listed on the mining section of the Toronto Stock Exchange. In June of this year the company's authorized capitalization was increased from $500,000 to $1,000,000 and the listed capital is now brought up to this amount. The company's balance sheet as at April 30, 1934 showed current assets of $13,953 made up of $628 in cash, $4,929 accounts receivable and $8,396 in advances to Mid East Gas Syndicate No. 1. Current liabilities, consisting of accounts payable, amounted to $1,828.

• • •

Iroquois Kirkland Mines Corp.—With 3,000 ft. of diamond drilling already completed, this company has informed The Financial Post that 7,000 ft. additional is to be done. During the past year 1,400 ft. of trenching and open pit work has been done, and the main vein has been cut to a depth of 27 ft. The company, organized in 1920, is being developed by Buffalo interests and owns 66 acres in the Kirkland Lake district north of Wright-Hargreaves and adjacent to Sylvanite.

• • •

Native Sons Gold Mines — The Vancouver Stock Exchange, having been notified that this company is in liquidation, has removed the listing of the shares from the board.

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Nova Scotia Gold Mines — All construction work for the main shaft operations has now been completed and actual sinking in the rock commenced recently, officials of this company informed The Financial Post. Ore is being taken from the auxiliary operations and is supplying a certain amount of immediate crushing material for the mill, which is now in operation fairly regularly.

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JUNE OIL OUTPUT IN TURNER FIELDS SHOWS BIG DROP

Falls 9,000 Bbls. in Comparison With May — Activities Summarized

The decline in output from the petroleum and natural gas fields of Western Canada, noticeable in May, was even more marked in June when production decreased by nearly 9,000 bbls. The May production was down about 1,000 bbls. from that of April. This decrease was noticeable in all fields. Following is a glossary of news from the more active wells:

Comrey—A derrick has been erected on the McDonald Imperial No. 1 location and it has been stated that drilling would commence about the end of July.

Twin River—Nordon-Roney No. 2 is reported to be taking a small production from the top of the Madison at 3,930 ft.

Cardston—Cardston Gas & Development Co. have made a location and have announced that drilling is to be handled by Franco Oils Ltd., with Chris. Bennetson in charge.

Red Coulee—Vanalta No. 6 was drilled to 205 ft. Thirteen-inch casing was sunk to 190 ft. Recently the rig was burned down and the company is preparing to rebuild.

Waterton Lake—Oil City Royalties is reported to have reached a depth of 1,800 ft. with some showings of oil and gas.

Skiff — Devenish Petroleums expect to start drilling their No. 5 well at an early date.

Take Over Drilling

Lundbreck—Drilling at the Raven well has been taken over by Union Drilling Co. A depth of 415 ft. is reported and water shut-off is being made. Mar-Jon No. 3 has been located and a cellar is being dug and it is proposed to erect a steel derrick for standard rig.

Highwood—Banner Oils No. 1 is reported as sidetracking. The bit was lost at 625 ft.

Aldersyde—It is reported that casing has been arranged for Ranchmen No. 1 well which is standing at 6,260 ft. As a result of oil and gas showing encountered in this well considerable geologic and geophysical work is being done in this locality by the major companies.

Pekisco Structure—Pekisco Hills No. 1 is reported to be drilling below 1,700 ft. Considerable gas and some oil showings have been encountered. Some faulting has been passed through.

Turner Valley, South End—Okalta is reported to be making arrangements for the drilling of a well in this area. This is the most southerly location in the Turner Valley.

Highwood Royalty — No. 1 well has reached a depth of 502 ft. and 18⅝-inch casing has been run to 501 ft. Some gas flows have been reported from Northwest Royalties No. 1 which is drilling at 1,403 ft.

Highwood Get Big Flow

Union Freehold—No. 1 is drilling below 4,100 ft. Thirteen-inch casings have been run to 3,650 ft.

Meyers and Wright—No. 1 well is re-drilling at 730 ft. Water shut-off was made with 18-inch casing.

Highwood Sarcee—No. 1 well at 5,750 ft. and 412 ft. in the limestone brought in a flow of gas reported to be around 28,000,000 with a naphtha recovery of over 500 barrels per day. This well also delivered 2,799 barrels of light crude during the month of June.

A production test from C. & E. Longview No. 1 is reported to have produced 147 barrels in seven days, being an average of 21 barrels per day. This well was drilled to 6,220 ft.

The erection of the absorption plant of Gas & Oil Products Ltd., on the Mercury section is nearing completion and it is expected that operations will be commenced at an early date.

Central Area

Turner Valley, Central area—The Royalite Oil Co. are continuing their efforts to place No. 4 in production. The gas flow was killed with mud and six-inch casing pulled to 1,188 ft. While pulling eight-inch casing some 10-inch also came, but the company is trying to connect on to the eight-inch casing. The abandonment of Dome No. 2 has been completed.

Paramount — Work was resumed on this well at 2,953 ft.

Birch Ridge—The Lundy well which was technically spudded in several months ago has not commenced active operations.

Moose Mountain—The Elbow well resumed operations on June 28 and they are reported at 4,375 ft. A burst of gas was encountered on drilling out the bridge at 3,890 ft.

Hunter Valley—This well has reached a depth of 3,150 ft. and has struck 13⅜-inch casing at 2,841 ft. Gas was encountered at 2,922 ft. and 3,150 ft.

Wainwright—Gold Standard No. 2-A was shot five times from 1,850 to 1,890 ft. An open flow of gas 650.

Viking — Northwest Utilities No. 13 well is to be cleaned out.

Saskatchewan Areas

Pilot Butte—Aladdin Oil & Gas Co. is reported to be preparing to resume work on a well in this area.

Dirt Hills — Petroleum Engineering Co. are digging a cellar on the S.W.¼-14-11-21-W.

Blackfoot Oil & Gas Co.—No. 1 is reported to be drilling at 1,000 ft. The Two Pine Oil Co. has resumed drilling on its Avonlea No. 1 well which has been standing at 2,938 ft. Dr. J. O. G. Sanderson is representing Highwood-Sarcee Oil Company's interest at this well.

Cummings—Twin Provinces' well, south of Cummings, is reported drilling below 600 ft., with small oil and gas shows.

Riverhurst—A local syndicate is drilling a shallow gas well in this locality.

Simpson—Simpson Oil Co. is reported to be drilling some structure tests.

Lloydminster — Lloydminster Gas Co. is reported to be drilling a second well near the southeast corner of township 49.

Hudson's Bay Junction — Trail Blazer No. 1 is reported to be down 270 ft. and at the bottom of the Dakota formation.

British Columbia

Flathead—East Kootenay—Columbia Oils No. 1 is reported to have reached a depth of 1,900 ft. and to be running 10-inch casing.

Okanagan—Okanagan Oil & Gas Co. are reported to be arranging for the deepening of its well which has been standing at 2,725 ft.

Cariboo—It was reported that drilling may be resumed in the vicinity of the Australian ranch south of Quesnel.

Following is a tabulation of the output of various western Canadian wells in June as compared with their output in May:

	May Bbls.	June Bbls.
Turner Valley—		
Advance	818	872
Assoc. O. & G.	282	309
Baltac	122	119
Dalhousie	865	890
Foothills	2,524	2,386
Freehold-Mar-Jon	5,709	5,445
Home Oil	1,144	1,159
Longview (N.W.C.&E.)	*	277
Lowery Pete.	260	269
Merland	5,199	4,943
Royalite	■46,337	41,013
A. Pac. con.	*	*
Calmont	*	*
Mayland	*	*
Southern Lowery	*	*
Southwest Pete.	138	162
Sterling Pacific	3,719	*
Anaconda	3,591	■3,585
British Dominion	*	*
Com. Pete.	*	*
East Crest	1,394	1,285
Freehold	*	*
Hargal	73	†70
Highwood-Sarcee	*	2,977
Homestead	159	147
Hylo	2,101	1,986
Mar Jon	†1,200	†1,127
McLeod	306	394
Mercury	3,862	3,418
Miracle	6,646	6,255
Mid-Field	82	79
Model	5,174	5,077
New McD.-Segur	■745	†22
Okalta	442	*
Regent	59	74
Richfield	269	192
Spooner	622	585
Sterling Royalties	6,910	6,630
Structure-Wayne	†217	■249
Vulcan	*	*
Wellington	*	*
Widney	325	350
Total	101,294	92,924
Red Coulee-Border-Keho—		
O'Neil	473	440
Vanalta	1,363	1,242
Nordon-Roney	191	*
H. B.-Keho	5	*
Total	2,032	1,682
Wainwright—		
Edmon-Wainwright	230	436
Sasko-Wainwright	285	278
Onalto	416	371
Gold Standard	61	†38
Edalta	†280	51
Total	1,272	1,214
Grand total	104,598	95,820

Recoveries at absorption plant are here credited entirely to Royalite.
†Estimated. ■Corrected. *Not given.

Lafayette Gold Mines Plans Drill Campaign

From Our Own Correspondent

SUDBURY.—Diamond drills are expected to be on the ground this week for the commencement of a campaign at the property of Lafayette Gold Mines, located to the north of Little Long Lac Gold Mines. The drilling contract, it is understood, calls for a total footage of about 10,000 ft.

Reports from the field are to the effect that work under the direction of J. C. Finnan, M.E., has opened up a condition of gold deposition likened to that on the property of Little Long Lac Gold Mines. A small force of men are engaged in surface work.